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BILLION BUSHELS



CORN PRODUCTION (1968-ESTIMATED 1977)

AUGUST 1977

## **Agricultural Outlook August 1977/AO-24**

### **Editorial Staff**

**Robert R. Miller:** Economics Editor,  
National Economic Analysis Division  
(202) 447-7330

**Geraldine Schumacher:** Managing Editor,  
Information Division (202) 447-6250

**Adrie S. Custer:** Writer-Editor, Information  
Division

**L. Glenn Golden:** Writer-Editor, Information  
Division

**B. Eric Van Chantfort:** Writer-Editor,  
Information Division

**Neal Holland Duncan:** Writer-Editor,  
Information Division

**Shirley Hammond:** Editorial Assistant,  
Information Division

**Eileen Johnson:** Statistical Coordinator,  
National Economic Analysis Division

**Patricia D. Hughes:** Production Assistant,  
Information Division

For further information on subjects  
discussed in this report, you may wish to  
contact the persons listed at the end of  
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## Potentially Large Grain Supplies Weaken Farm Income Prospects

While cash receipts through the first half of 1977 have averaged well above the depressed levels of late 1976 and above a year earlier, the prospects for the second half of the year are not as encouraging. With large crop harvests in prospect, crop prices have already weakened and are likely to average perhaps a tenth below a year ago. Despite larger output, cash receipts from crops in the second half are likely to average several billion dollars below last year. Increasing livestock receipts will be offsetting and total receipts in the second half will likely average near last year's \$92 billion (seasonally adjusted annual rate).

With cash receipts in 1977 not likely to greatly exceed last year's level, the persistent rise in production expenses will pull realized net incomes of the farm sector below the \$22 billion in 1976. In recognition of this dilemma, current modifications of pending farm legislation have attempted to support the income level of the sector through higher loan rates on feed grains and higher target prices on wheat for 1977 crops. The final version of the farm bill will be a critical determinant of the level of farm income in 1977. Modifications currently under consideration would leave total net income near last year's level.

### Grain Supports Raised in House Bill

The House version of the new Farm Bill, H.R. 7171, was brought to the floor for general debate and amendments the third week of July. While the main purpose of the bill is to set programs for major farm commodities over the next 4 years, it would make some changes in programs for 1977 crops.

Significant amendments to the bill so far include raising the target price for the 1977

wheat crop and the target price and loan rate for the 1977 feed grain crops.

The bill provision for the 1977 wheat target was raised from \$2.65 to \$2.90, the level approved in May by the Senate in S.275. With weak market prices, Government deficiency payments to wheat producers were expected this year under the various options being considered. Adoption of the \$2.90 wheat target price would add an estimated \$470 million to 1977 crop payments above what would have been expected under the \$2.65 target level previously in the House Bill. The loan rate for the 1977 wheat crop remains unchanged at the current \$2.25 a bushel.

Another change would raise both the target price and the loan rate for the 1977 corn crop to \$2.00 with support for other feed grains to be in a proper relation. This would mean that no deficiency payments would be made for the 1977 feed grain crop, but the higher loan rate would be expected to support market prices and farm cash receipts.

Other amendments adopted included:

- Authorize the Secretary of Agriculture to lower wheat and corn loan rates (when the season average price does not exceed 105 percent of the loan level) by the amount necessary to maintain domestic and export markets. Target prices would then be increased sufficiently to maintain the same total return to producers;

- Make adjustments in the disaster payment programs, including a limitation of the program to 2 years additional duration (1978 and 1979 crops);

- Extend deficiency payments to oats with the target price in line with that for corn;

- Establish a floor level of 51 cents per pound for the cotton target price;

- Authorize the Secretary of Agriculture to establish, maintain, and dispose of a grain

reserve of up to 35 million tons;

- Set supports for sugar beets and sugar cane at no less than 55 percent nor greater than 65 percent of parity for the 1977 and 1978 crops; and

- Direct the Secretary to establish a program for 1977 sugar beets and sugar cane providing for payments to domestic producers based on a price of 13.5 cents per pound.

These House changes are subject to conference agreement between the House and Senate and approval by the President before they would be effective.

### Many Field Crops Headed for New Production Highs

Larger acreage for some crops coupled with increased yields boosted estimated production of major field crops as of mid-year to record or near-record highs.

However, because of low subsoil moisture reserves, weather impacts on growing and harvesting conditions will hold the key to the final outturn of this year's crops and, correspondingly, to the outlook for food and agriculture in the coming year.

Combined tonnage of grains and soybeans produced this year may range from slightly under to as much as a tenth above the big 1976 outturn. For all crops combined, a gain of 3 to 4 percent appears likely if weather cooperates.

Grain supplies at the outset of the 1977/78 marketing year will likely be at all-time highs by the time production is coupled with the sharp stock buildup in 1976/77. And a further buildup in stocks during the 1977/78 marketing year is anticipated since grain output probably will outstrip domestic and export use.

Carryover wheat stocks next May 31 could range from 1.1 to 1.5 billion bushels;



if reached, the higher figure would almost equal the 1961/62 all-time peak. Corn stocks could close out 1977/78 at an estimated 1.2 to 1.8 billion bushels, up sharply from the year before.

Under these conditions, wheat and corn prices would be expected to average near the loan level in 1977/78, and government price support activity could be the heaviest in several years. The amount of grain, especially wheat, going under loan could be the largest since the early 1970's. USDA is currently deciding whether conditions warrant a set-aside program for next year's wheat crop.

Although storage appears to have been adequate for this year's winter wheat crop, a crunch could occur this fall if prospective

large feed grain, soybean, and other grain crops materialize.

### Livestock Output To Pick Up in Early 1978

Livestock and poultry producers are likely to respond to 1977/78's larger expected output and weaker prices of corn, wheat, and soybean meal by boosting output of livestock and products early next year more than they indicated earlier.

Livestock-feed price ratios should be relatively favorable for feeding in 1977/78, if the large grain and soybean crops now estimated do occur. Larger output of fed beef, pork, eggs, broilers, and milk during the first half of the coming year would be the likely result.

### Domestic Economy Growth Could Slow in Second Half

Some slowdown in the rate of economic growth is forecast for second half 1977, following the sharp gains of the first 6 months. The gross national product (GNP) rose at an annual rate of 6.4 percent in the second quarter (after adjusting for inflation), somewhat lower than the first quarter's 7.5-percent gain.

Real final sales to consumers rose 5.6 percent in the second quarter, up from the first quarter's 3.8 percent pace. Inventories advanced less than in the previous quarter.

Second quarter per capita disposable income was up around 9.5 percent from a year ago to almost \$6,000 (annual rate). However, after adjusting for inflation, real

### Farm Income Strengthens in First Half

First half 1977 farm income picked up from the depressed levels of the last part of 1976. During January-June 1977, farmers marketed commodities valued at around \$98 billion (on a seasonally adjusted annual basis), up around \$6 billion from the last half of 1976 and \$1 billion or so above a year earlier.

Most of the first half strength was in the crops area, primarily in the soybeans and cotton complex. Tight supplies caused prices of soybeans and cotton to rise sharply earlier this year, although prices of both have since eased considerably in response to much larger planted acreage and decreased use. As a result, cash receipts from crop marketings were up a tenth from July-December 1976.

Cash receipts from livestock and products picked up some as first half prices were slightly above late last year and marketings of pork, broilers, and milk were seasonally larger.

Gross farm income totaled around \$108 billion in the first half of 1977, including around \$10 billion of nonmoney and other farm income. The total was up some 6 to 7 percent from the last half of 1976, and around 2 percent above a year earlier.

Production expenses continued to push up during the first half, rising about 4 percent from a year earlier to around \$85 bil-

lion on an annual basis. Prices paid for production items in January-June averaged around 3½ percent higher with increases for most items except agricultural chemicals, feeder livestock, farm and motor supplies, and fertilizer. Prices of machinery and fuels rose around a tenth. Feed prices were up about 8 percent from a year earlier, but they had started to slip by midyear.

Including inventory changes, farmers' net farm income came to around \$22 billion (seasonally adjusted annual rate) in the first half of 1977, up around \$5 billion from July-December 1976 but about the same as last year's first half.

### Farm Income Data Revised

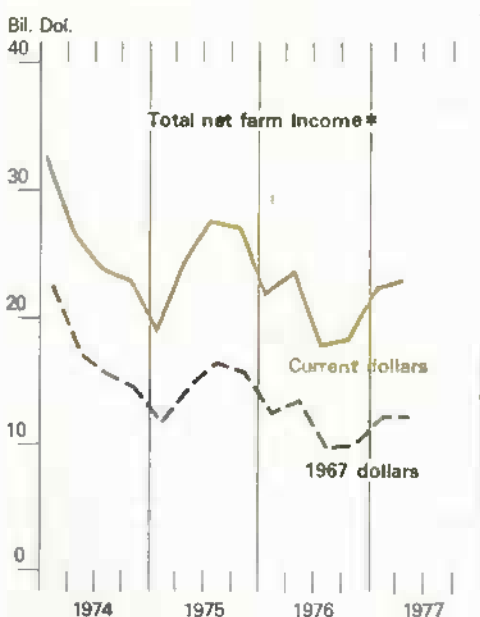
Regular revisions of farm income statistics have been completed for 1974, 1975, and 1976 with more complete data available for those years.

While 1974 data changed little, there were more substantial revisions for 1975 and 1976. The results show total net income of \$26.1 billion in 1974, \$24.3 billion in 1975, and \$20.0 billion in 1976. All three are lower than the previous estimates of \$26.5 billion for 1974, \$25.6 billion for 1975, and \$22.0 billion for 1976.

Revisions for 1975 were largely attributed to reductions totaling \$1.7 billion in cash receipts from marketings of wheat, corn, and soybeans. At the same time, production expenses were revised upward by nearly \$0.4 billion, reflecting higher bills for farm repairs and operation expenses. Farm inventories also were built up somewhat more than estimated.

For 1976, cash receipts from cattle and calf marketings were revised downward by around \$0.5 billion while production expenses were pulled up almost \$1 billion, again reflecting larger expenses for farm repairs and operations. Inventories were also drawn down around \$0.5 billion more than had been anticipated.

### FARM INCOME STRONGER IN FIRST HALF 1977



\* Seasonally adjusted annual rates, including inventory adjustment.

gains were about 3.6 percent.

Total employment has continued up in recent months, stimulated in part by a surge in industrial production which has added to the jobs available in the labor market. However, the number of people looking for work expanded somewhat more than the number finding jobs and, as a result, the unemployment rate edged up to 7.1 percent in June.

Retail store sales were up around 11 percent from a year ago in June and early July. Food stores sales were up around 9 percent while sales by apparel stores rose only 2 percent. Consumer expenditures for food came to about \$217 million (seasonally adjusted annual rate) in the second quarter, up almost a tenth from a year ago.

Natural fiber use has been down so far this year, reflecting tight supplies and high prices vis a vis manmade fibers. U.S. mill consumption of cotton and apparel wool during the first 5 months of 1977 trailed year-ago levels by around a tenth. Although cotton use may remain slack during the rest of 1977, larger prospective supplies should spur mill use in 1978.

### Continued Rises Likely in Retail Food Prices

Retail food prices probably will continue up this summer, but then level off later this year and early in 1978 if weather is generally favorable. For all of 1977, grocery store food prices still are expected to average around 6 percent above 1976 with the all-food average pulled up a bit more by higher prices for away-from-home eating.

Higher prices for coffee this year along with other imported foods and fish will account for over half the 1977 annual retail food price increase. In contrast, retail prices of solely U.S.-produced farm foods may average only about 3 percent above 1976.

Marketing spreads may continue to climb through the rest of 1977 and for the year as a whole could average around 5 percent above 1976. With returns to farmers expected to average close to 1976, practically all the increase at retail for U.S.-produced farm foods likely will result from wider marketing margins.

Retail prices of food consumed at home rose around 1 percent during June. Leading gainers included pork, which was starting to reflect earlier boosts in hog prices in whole-

sale markets. Coffee prices climbed 5 percent, but it is expected prices were near their peak and prices could be turning down in coming months. Prices of fats and oils were up sharply, reflecting earlier increases in soy oil prices. The June increase pushed second quarter retail food prices up around 3 percent from the previous quarter, which was about the same rate of gain as in January-March.

### Foreign Demand Weaker

Another large world grain crop in 1977 is expected to boost world stocks even further, thus reducing import demand and depressing grain prices. World production of grain (wheat, coarse grains, and rough rice) is now expected to total close to last year's 1,445 million metric tons.

Despite some growth in both food and feed usage, 1977/78 grain consumption may well continue below trend and production. Consequently, a further buildup in world grain stocks is in prospect—perhaps to about 210 million metric tons, 10 to 15 percent above the year before.

World grain trade is expected to total only about the same as 1976/77's 156 million metric tons, and will be characterized by increased competition among major exporters.

U.S. grain exports may be down 5 to 6 percent in 1977/78, centered primarily among feed grains. However, lower prices could help boost U.S. soybean exports slightly over 1976/77. But an expected pickup in world cotton output and somewhat weaker demand in foreign countries could crimp our cotton exports.

Output of meats (beef, pork, and poultry) and eggs in 1977 may rise around 2 percent worldwide. And dairy producer price policies and expected higher output per cow also suggest around a 2-percent rise in milk production.

U.S. agricultural exports in the fiscal year ending September 30, 1977, are likely to top the previous year's \$22.8 billion by \$1 billion. Increased export volume and prices of cotton and soybeans will account for much of the boost—and will more than offset lower prices for export volumes for grains.

Higher coffee prices will push our agricultural imports in fiscal 1977 up at least \$3 billion. As a result, agriculture's net trade balance is likely to be cut to around \$10 billion from \$12 billion in 1975/76.

### PRC May Be World's Largest Wheat Buyer

The People's Republic of China (PRC) is likely to be the world's largest importer of wheat in 1977/78 (July-June). Total imports for this period will be at least 8.5 million tons. A speedup of delivery on existing contracts and small additional purchases could raise the total to 9.5 million tons, nearly 15 percent of projected world wheat imports, excluding intra-European Community trade. All PRC grain imports during this period will be wheat. These purchases are up sharply from the 1975/76 and 1976/77 figures for imports of all grains of 2.3 and 3.5 million tons, respectively, and are well above China's previous import record of 7.8 million tons of all grains in 1973/74.

Since last November, the PRC has entered into 11 separate contracts for a total of 11.7 million tons of grain—all wheat—for delivery during 1977 and 1978. Australia has sold 5.5 million tons, Canada nearly 5.3 million tons, and Argentina 900,000 tons.

Unlike China's previous record import year 1973/74, when the United States supplied over 60 percent of China's total imports of all grains, no U.S. grain has been bought this year. This reflects, at least in part, ample supplies in other countries and a continued treatment of the United States as a residual supplier of grain.

While it is difficult to assess the likelihood of further purchases for 1977/78, large additional purchases seem unlikely at this time. In recent months, substantial rainfall has ended the drought in most areas of China. Although this year's wheat harvest will be down and the size of the early rice harvest is uncertain, prospects at this point appear fairly good for late harvested grains. However, a substantial deterioration in the crop outlook in coming months could trigger some additional purchases for 1977/78 delivery. *Frederic M. Surls, (202) 447-8380.*





## Food and Marketing

Although retail food prices are expected to rise further this summer, prices likely will level off this fall and remain relatively stable through mid-1978. However, this depends on generally favorable weather. For all of 1977, grocery store food prices still are expected to average around 6 percent above 1976.

Third quarter food prices are expected to rise around 2 percent from the spring quarter and average around 7 percent above a year earlier. While the expected rate of increase for the summer is only a little smaller than last winter or spring, price changes among major food categories will be very different.

Much of the expected summer (July-Sept.) price rise will be associated with red meats—products whose prices have been relatively stable and generally below a year earlier for most of the past year. Recent price increases for hogs and expected advances for cattle will be surfacing at retail this summer. Seasonal price increases are also likely for poultry, eggs, dairy products, and fish.

Retail coffee prices, which have spearheaded the overall food price advance for the past year or more, may have finally peaked in June. Although world coffee sup-

plies remain tight and retail prices are not likely to fall as quickly as they rose, some declines are in prospect in the second half of this year, reflecting recent reductions at the green level.

Fresh vegetable prices, which contributed heavily to average food price increases during the late winter, have already dropped sharply. While third quarter vegetable prices will average above a year earlier, they will be more than seasonally below their early spring peaks.

However, fresh fruit prices likely will continue strong this summer, primarily reflecting seasonally smaller supplies of apples and citrus fruits. Prices for most processed fruits and vegetables may also advance, reflecting a slightly tighter prospective supply for the upcoming season and rising costs for producing, processing, and distributing these foods.

With prospective large supplies and low farm prices for food grains and sugar offsetting continued inflationary pressures on processing and marketing costs, retail prices in the important cereal and bakery category may hold about steady this summer. But average prices in the sugar and confectionary category will be pushed up by chocolate products due to sharply higher world prices for cocoa beans. Further price increases are also likely for vegetable oil products reflecting higher spring prices for soybeans and soybean oil.

### RETAIL FOOD PRICES STILL UP: WHOLESALE EASES



### Fall Outlook for More Price Stability

Current prospects for both crop and livestock food commodities indicate a much more stable average food price picture this fall (Oct.-Dec.) Although total red meat supplies may not match their record high of a year earlier, fourth quarter output likely will be up from the summer. With more poultry and eggs as well as ample supplies of dairy products, average retail prices for livestock products may be up only slightly from the summer, mainly reflecting increased consumer demand and widening marketing spreads.

Prices for crop-related foods are likely to decline slightly this fall if weather is generally favorable through the remaining growing season and if coffee prices drift lower as expected. Seasonal price declines for potatoes and fresh fruits likely will offset further small increases for vegetable oil products, processed fruits and vegetables, and confectionary products.

Although fourth quarter food prices may be little changed from the third quarter, they are expected to average 8 or 9 percent above a year earlier. However, since food prices during the first half of 1977 exceeded their year-earlier level by a much smaller margin, grocery store food prices for the entire year still appear likely to average around 6 percent above 1976.

Higher prices for coffee along with other imported foods and fish and account for over half of the annual increase, with retail prices for U.S. produced farm foods likely to average about 3 percent above 1976.

### Food Prices Rise in June

Retail food prices continued to climb in June as they have through most of the first half of the year. The Consumer Price Index for all food was up 1 percent from May and 7 percent from a year earlier. Prices for grocery store foods rose faster than prices for away-from-home eating between May and June. Compared with a year earlier, however, grocery store prices have risen less.

Coffee continues to account for a large share of grocery store price increases. Prices for vegetable oil products and fresh fruits also posted strong gains, while smaller increases were recorded for red meats, dairy products, fish, and cocoa and chocolate. Although prices for most fresh vegetables dropped sharply, a strong seasonal advance for potatoes limited the overall fresh vegetable price index to a small decline. *Larry Summers, (202) 447-8707.*

**Per Capita Food Use May Dip in 1977**

Per capita food consumption for 1977 is now indicated to be down slightly from last year's record high. Per capita use of animal products may total the same as a year earlier. Increases for pork and poultry about offset a decline for beef while consumption of dairy products and eggs remain relatively steady. However, use of crop products on a per capita basis likely will be down about 1 percent for the year. Reductions for fresh and processed fruits as well as for coffee, tea, and cocoa account for most of the decline with little change indicated for other major food categories.

**PER CAPITA FOOD CONSUMPTION INDEXES**

Year	All food	Animal products	Crop products
1967=100			
1971 .....	103.6	103.9	103.2
1972 .....	104.0	103.7	104.3
1973 .....	102.2	99.3	105.4
1974 .....	102.8	102.2	103.4
1975 .....	102.2	100.0	104.3
1976 .....	105.6	104.1	106.8
1977 <sup>1</sup> .....	105.0	104.0	105.5

<sup>1</sup> Projected.

**Costs of Marketing To Continue Rising**

The spread between what consumers pay and what farmers receive for a market basket of foods produced on U.S. farms may continue climbing during the rest of 1977 and into 1978. Increases will reflect both pressures on operating costs of food marketing firms as well as changes in returns to farmers. Rising costs generally have a long-term effect on marketing spreads, while changes in farm prices have a more immediate effect.

From a cost side, a continued gradual rise in wage rates, prices for energy, packaging materials and most other inputs purchased by food marketing firms, and transportation charges will exert upward pressure on the cost of marketing. So far in 1977, hourly earnings of food marketing employees have risen about the same as last year's annual rate of 8.4 percent. Something close to this rate will probably continue into 1978.

Prices for energy in the first half of 1977 were up 23 percent from a year earlier. While the price increase for various forms of energy is uncertain, higher energy prices will certainly contribute to the rising cost of processing and distributing food this year and next.

Transportation rates are also on the rise this year. Rail rates for food products were up about 7 percent in the first half from a year earlier. Rising equipment costs, energy costs, and wage rates are pressing both rail and truck rates.

Costs of packaging materials should rise moderately for the balance of this year and next year. Production and inventories are expected to be ample to meet demand. No shortages are anticipated.

The farm side appears to have exerted a moderating influence on price spreads, as prices for beef cattle and hogs took turns advancing faster than retail prices and squeezing farm-retail spreads for meats. In addition, sharp decreases in prices for eggs and fresh vegetables were accompanied by decreases in price spreads.

Looking ahead, we expect price spreads for market basket foods to rise sharply in the third quarter reflecting wider spreads for meat products and most manufactured foods. Marketing spreads may continue to climb in the fourth quarter, particularly if hog prices weaken as expected this fall. For the year as a whole, the farm-retail spread for the market basket may average about 5 percent above the average for 1976. Something close to this rate may prevail in 1978 if the current rate of inflation continues.

**Marketing Spreads Up Sharply in June**

Farm-retail spreads for a market basket of foods produced on U.S. farms increased about 2 percent from May to June, more than recovering the decrease from April to May. The June increase was accompanied by a 0.7-percent rise in retail prices and a 1.4-percent drop in returns to farmers.

Increases in spreads in June were particularly pronounced for beef, fresh vegetables, and oilseed products—all items for which retail prices were rising despite slipping farm values.

In contrast, the marketing spread narrowed noticeably for eggs as both farm and retail prices dropped. Spreads changed little for other foods in the market basket.

On a year-to-year basis, the June 1976 farm-retail spread averaged about 5 percent above the year before, with the retail cost of the market basket up 1.9 percent and the farm value down 2.3 percent.

The farmer's share of the consumer's food dollar spent in retail food stores for farm foods was 38 cents in June, 1 cent below May and 2 cents below June 1976. *Henry Badger, (202) 447-8454.*

**Baker-Wholesaler Bread Spread Sets Record**

The retail price of white pan bread averaged 35.5 cents per 1-pound loaf in May, slightly more than a year ago. The farm value of wheat in a pound of white bread declined to 2.5 cents in May, the lowest since November 1971 and 1.7 cents below May 1976. At the same time, wheat prices at the farm fell to \$2.19 per bushel in May compared with \$3.43 last May.

The decreases in the farm value have been offset by increases in the baker-wholesaler spread which reached a record 25.0 cents in May. These increases are reflected in improved profit levels as well as higher costs for energy, labor, and other nonfarm inputs by the baker-wholesaler sector of the industry. The spread can be expected to increase as costs and earnings continue to rise. *Mellie L. Warner (202) 447-8636.*

**MARKET BASKET OF FARM FOODS<sup>1</sup>**

Period	Retail cost	Farm value	Farm-retail spread	Farmers' share
1967=100				Percent
1966 ...	101.1	106.3	97.8	41
1967 ...	100.0	100.0	100.0	39
1968 ...	103.6	105.3	102.5	39
1969 ...	109.1	114.8	105.5	41
1970 ...	113.7	114.0	113.5	39
1971 ...	115.7	114.4	116.6	38
1972 ...	121.3	125.0	119.0	40
1973 ...	142.3	167.2	126.5	46
1974 ...	161.9	178.3	151.5	43
1975 ...	173.6	187.1	165.1	42
1976 <sup>2</sup> ...	175.4	178.8	173.2	40
1975				
I ...	168.8	173.2	166.1	40
II ...	170.1	182.9	161.9	42
III ...	177.6	200.0	163.4	44
IV ...	177.9	192.3	168.8	42
1976 <sup>2</sup>				
I ...	176.7	183.4	172.5	40
II ...	175.3	182.3	170.9	40
III ...	176.0	178.7	174.3	39
IV ...	173.5	169.5	176.0	38
1977 <sup>2</sup>				
I ...	177.1	177.1	176.9	39
II ...	178.8	178.9	178.8	39

<sup>1</sup> Represents all food originating on U.S. farms sold in retail food stores. The retail cost is a component of the Consumer Price Index published by the Bureau of Labor Statistics. The farm value is the payment to farmers for equivalent quantities of food products less allowance for byproducts. The farm-retail spread is the difference between retail cost and farm value. <sup>2</sup> Preliminary.



## Retail Coffee Prices May be Headed Down—Slowly

If retail and wholesale roasted coffee prices did not already peak in June, they will likely peak in the third quarter. Wholesale roasted prices should begin to follow green prices down, with retail prices trailing—although more slowly. The lag will reflect retailers' efforts to sell coffee purchased at earlier higher wholesale prices before replacing inventories with lower priced coffee.

If retail prices come down faster than expected, they will largely reflect considerable effort by retailers to expand coffee sales by lowering prices.

The June U.S. average retail price of \$3.94 for a 1-pound can of roasted coffee was a record, up 19 cents from May's previous high. But there is already evidence that prices are leveling off or headed down. For example, retail prices in New York City and in Tidewater and Northern Virginia were reported to have declined in early July.

Retail coffee prices in 1977 could average about 75 percent higher than in 1976. Thus, while coffee has a relatively small weight in the Consumer Price Index for food at home

(3.1 percent in 1967), the very sharp jumps in retail coffee prices this year mean that coffee is contributing nearly half of the total increase in U.S. retail prices of food consumed at home.

Meanwhile, high retail prices and declining consumption continue to impact on the U.S. coffee market. In July, one major roaster announced 20-cent-per-pound reduction in wholesale roasted coffee prices. And because of sharply declining roastings, another major firm announced layoffs of workers at its four U.S. facilities.

First quarter U.S. coffee consumption was down 17 percent from first quarter 1976. While complete data are not yet available, consumption in the second quarter was also likely significantly and, with high retail prices prevailing, coffee consumption will probably be off in the third quarter as well.

Prospects indicate a significantly larger 1977/78 world coffee crop, largely due to a partial recovery in the Brazilian crop which is estimated to be 80 percent larger than the frost-damaged 1976/77 harvest.

After peaking at \$3.33 per pound in April, the monthly composite green price (a weighted measure of the major types of green coffee—New York spot basis) declined to \$2.70 in June and by mid-July had dropped further to around \$2.50 per pound. The monthly average price of wholesale roasted coffee was \$4 per pound in June, up slightly from May.

Margins data suggest that U.S. roasters and wholesalers were able to increase the green-retail spread while coffee prices were moving up over the last half of 1974 and first half of 1975. Moreover, they were also generally maintaining the green-retail spread even when green coffee prices were rising sharply in late 1975 and early 1976. However price, which would likely be sold at retail in August, margins could have been severely squeezed for at least the next 2 months (July and August). Later on this year, margins will likely widen again. *Fred Gray, (202) 447-7291.*

## COFFEE PRICES AND MARKETING SPREADS

Month	Retail price <sup>1</sup>	Marketing spreads <sup>2</sup>		
		Green-wholesale	Whole-sale-retail	Green-retail
		Cts. per lb.		
1976				
Jan. ....	152.3	43.9	6.3	50.2
Feb. ....	153.2	45.3	7.2	52.5
Mar. ....	155.5	47.6	9.5	57.1
Apr. ....	163.1	58.1	1.7	59.8
May ....	170.9	48.4	9.5	57.9
June ....	179.3	54.1	3.9	58.0
July ....	191.6	76.5	-4.5	72.0
Aug. ....	201.8	52.9	2.4	55.3
Sept. ....	207.6	53.7	-11.4	42.3
Oct. ....	211.6	41.4	-7.4	34.0
Nov. ....	222.9	49.6	3.9	53.5
Dec. ....	238.1	44.4	14.2	58.6
1977				
Jan. ....	255.0	48.5	23.0	71.5
Feb. ....	280.2	67.3	17.1	84.4
Mar. ....	299.9	47.4	36.8	84.2
Apr. ....	339.2	48.7	43.0	91.9
May ....	374.2	87.1	15.9	103.0
June ....	393.5	70.8	23.8	94.6

<sup>1</sup>1-lb. can roasted coffee. <sup>2</sup>Calculated using wholesale roasted coffee price two months prior to retail price and green roasted basis price four months prior to retail price. Composite green price adjusted to roasted basis using 1.19 lb. green equal to 1 lb. roasted. Wholesale and green prices 2 and 4 months prior to the retail price were used to allow for normal marketing lags.



## Inputs

Farmland values nationwide rose an average 17 percent for the year ending February 1, 1977, to around \$456 per acre. In the past 5 years, U.S. farmland values have more than doubled, with the Corn Belt showing the sharpest gains.

The total value of farm real estate as of February 1 was around \$496 billion, of which about \$85 billion was for farm buildings. The average value per operating farm unit was a little more than \$180,000, compared with around \$83,000 just 5 years ago.

Farm real estate market activity is expected to be slightly more intense this year. More farms are being offered for sale, but inquiries are up even more, resulting in a continued scarcity of listings. Along with pressures to expand farms, investment opportunity, population pressures, the present bullish market, and inflation, this should continue to exert upward pressure on land values.

During the year ending March 1, 1977, 63 percent of all land purchased was for farm enlargement, up from 29 percent in the mid-1950's. During the same period, purchases of complete farm units have



dropped from 65 percent of the total to around 25 percent.

With potential still existing for further farm size efficiencies, this factor will continue to be important in pushing up demand for farmland. But little land is moving—only 4.3 farm tracts per 100 farms were transferred last year. When a tract comes up for sale, a local farmer realizes that it may be his only chance to buy it. Consequently, farm operators are paying whatever they think is necessary to obtain the land—in some areas over \$3,000 an acre.

The purchase of farmland as an investment is also increasing the demand for land. People are looking at future asset appreciation rather than only the cash-flow generated by farming. In recent years, few investment opportunities have been as successful an inflation hedge as farmland. Consequently, reporters are anticipating further increases in farmland values.

On the other hand, financial problems resulting from depressed wheat and corn prices and the continued cost-price squeeze on cattle operations may help restrain further land price increases, at least in some areas. For example, farmland value gains in the wheat and livestock-producing Northern Plains States have already started to slacken.

A recent USDA survey of the Plains States, Colorado, Montana, and Minnesota showed more than the usual number of farm borrowers were expected to face cash flow and credit problems this year. And California land values have actually

decreased slightly since last fall, with that State's severe drought also an important reason. Real net farm income has declined since the 1973 high, and production costs continue to escalate.

On balance, the overall increase in U.S. farmland values may average around 8 to 10 percent this year. Although continuing strongly upward, this rate would represent a slowing from average gains in recent years. Transfers will be up slightly at higher price levels, requiring increased credit. However, credit availability for the purchase of farm real estate is expected to be adequate.

Almost 110,000 farm tracts were transferred in the year ending February 1, 1977, up about 1 percent from the year before and the first rise in 3 years. However, around 150,000 tracts were being transferred annually in the early 1960's. Although the total acreage transferred was little changed in 1976/77, the total value increased almost a fourth from the previous year, caused by the 24-percent rise in the average sales price to some \$650 per acre.

### Credit Availability Steady To Higher

Credit availability, next to farm income, is the most important factor influencing the present level of land prices. Total farm real estate debt outstanding as of January 1, 1977, was over \$56 billion, up a tenth from a year earlier.

Credit financing was involved in a record 88 percent of all farm tract transfers in 1976/77. In contrast, only about half of the farmland transfers was financed with credit in the late 1940's.

Reporters indicated on March 1, 1977, that most lenders are continuing to accommodate credit needs of farm purchasers. Reports of relatively good credit availability are partially due to generally stable interest rates since early 1975.

Seller financing continued as the most common source of funds for farm purchases, providing 39 percent of total credit volume in 1976/77, down from 44 percent in the previous year and the lowest since 1966. Federal land banks (FLB's) provided 28 percent of all farm real estate credit extended, continuing as the second most important source of funds. Although down from 33 percent in 1975, FLB's have more than doubled their share of the market from 12 percent in 1970.

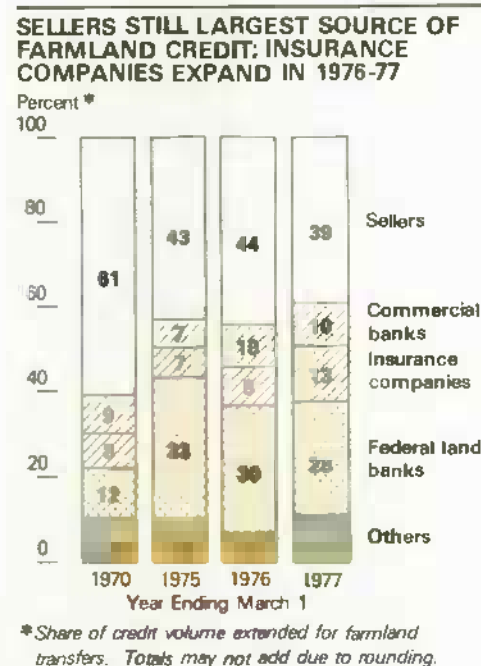
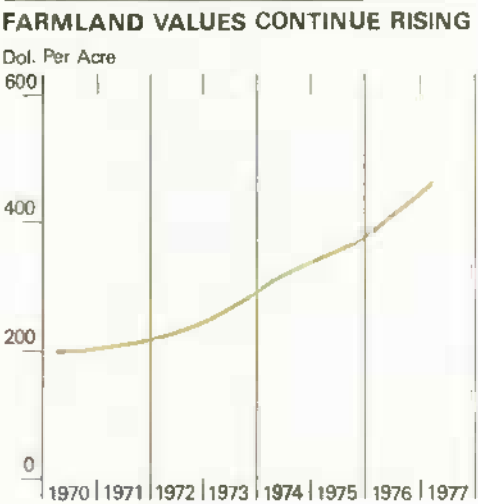
Life insurance companies have been coming back into the market more competitively during the past 2 years, increasing their share from 7 to 13 percent during that period. Commercial banks, which specialize more in short-term and intermediate-term loans, held their share at around a tenth.

### Nonfarm Factors Influence Farm Real Estate Values

Strong competing demands for existing farmland among agricultural, residential, commercial-industrial, recreational, forestry, and mineral uses is boosting prices. Results from the annual survey indicate that the proportion of transfers expected to stay in agriculture during the next 5 years dropped to a record low of 80 percent. The share of total transfers expected to go into forestry, rural residence, subdivision, and other uses each increased 1 percentage point during the past year.

Farm tracts purchased for use as rural residences have always been a factor competing for small tracts, accounting for 8 to 10 percent of all tracts purchased since 1972. The next most prevalent expected future use was for subdivisions with 4 percent of purchases. With the current trend of population distribution toward renewed rural residential growth, the pressure for more land to be used in residences will probably continue. (See special article in this issue on "America's Return to the Country-side.")

A direct relationship exists between land



prices and intensity of use. Last year, land sold for commercial use was around \$2,100 per acre, land for subdivision use brought almost \$950 per acre, and that for rural residences sold for about \$740 per acre. At the same time, land for farm use was being sold at around \$650 per acre. *Larry Walker and John Jones, (202) 447-7385.*

### **Fuel Prices Up, Supplies Adequate**

Prices for fuels and electricity are continuing their upward climb. However, the concerns raised by last winter's heavy demands have eased considerably, and it appears that supplies will be adequate through this fall.

Average prices paid by farmers for gasoline and diesel fuel have risen about 10 percent in the past year, and fuel oil prices are up 17 percent over a year ago. Bulk delivery prices for LP gas have risen 14 percent. Prices for these petroleum products are expected to continue upward at similar annual rates through the rest of 1977.

The 10-percent price hike posted by most OPEC (Organization of Petroleum Exporting Countries) members in January 1977 has had time to filter through the domestic energy supply system, accounting for 1.5 to 2 cents per gallon of the petroleum product price increases experienced the first half of 1977. Disagreements within OPEC have apparently been ironed out. Saudi Arabia and the United Arab Emirates have agreed to adjust their 5-percent January increase in line with the 10-percent figure chosen by other members in return for frozen prices at least through the end of 1977. Had advocates of higher prices won out, the near-term price outlook would be considerably bleaker.

The supply outlook for gasoline and diesel fuel is excellent, with inventories up 14 and 8 percent, respectively, over levels at this time last year. Supplies should be adequate to serve farmers' needs through harvest, although local shortages may arise because of distribution bottlenecks. There have been some instances of major oil companies pulling out of rural markets. Remaining companies on occasion have been unable to absorb these accounts of both farmers and other rural customers. Although not a widespread problem presently, the situation will bear watching.

Stocks of LP gas are down 20 percent from a year ago. However, supplies are being replenished rapidly and should be adequate

to dry this fall's anticipated record corn crop. An unusually wet fall or early winter could cause some problems, but the crop is early this year which should lessen drying requirements.

Available data indicate that average natural gas prices have risen over 20 percent in the past year. Supplies for existing contracts appear to be adequate for irrigators, fertilizer manufacturers, and food processors through the fall. The Federal Power Commission is predicting curtailments of 23 percent of natural gas firms' requirements, or a deficiency of 170 billion cubic feet. This compares with 22.4 percent in 1976. If unusual cold prevails, the situation could be even worse, with supplies curtailed to many natural gas users in the food system.

Electricity rates have risen an estimated 10 percent over the past 12 months to about 3.7 cents per kilowatt-hour. Drought-related power shortages are hurting irrigators in California and neighboring States. Heavy demands for air conditioning during the summer months have placed severe stress on utility generating capabilities in some areas. Agribusinesses located in and near these problem areas could experience power cutbacks for short intervals.

The final version of the National Energy Program will not be known for several months. One almost certain outcome will be higher energy costs, particularly for petroleum products and natural gas. Farmers and other food system energy users are not likely to feel the effects of the program until 1979 and beyond. *Patricia Devlin, Tom VanArsdall, and Rob Lundin, (202) 447-9230.*

### **Farmworkers Younger, Less Tied to Farm Wages**

The hired farm labor force has been shifting toward younger workers and more people who earn over half their income from nonfarm sources, according to an Economic Research Service survey.

Of the nearly 2.8 million people hired to work on U.S. farms and ranches in 1976, about 59 percent or 1.6 million were 14 to 24 years old—even though this age group represents only a fourth of the total U.S. labor force. In 1962, workers 14 to 25 accounted for 45 percent of the farm labor force.

Young workers constituted a majority of the hired farm work force but accounted for only 45 percent of the man-days of hired work in 1976, since most were short term,

seasonal workers. People whose chief activity was hired farmwork represented only 27 percent of the people doing farmwork but accounted for about 65 percent of the work done by all hired workers.

More farmworkers depend on nonfarm occupations for a majority of their income. Farmworkers who were in the labor force most of the year and depended primarily on nonfarm work accounted for 17 percent of hired farmworkers in 1976, up from 11 percent in 1962. While these farmworkers earned an average 1976 income of about \$6,000 from both farm and nonfarm labor, those who had income from both sources but depended primarily on farmwork earned an average of \$4,700. The average annual income of those who worked exclusively on farms was just over \$5,000 last year.

Regional trends over the past decade indicate a declining dependence on hired farm labor in the Northeast and especially the South but more short term seasonal farmworkers are being used in the North Central region. By shares of the total hired farm work force, the South has dropped from about half to under 40 percent, the Northeast has held constant at about a tenth, and the north central and western regions have moved up from about a fifth to over a fourth each.

Students, housewives, and migrant workers have traditionally played an important role in U.S. farm production, since they are generally employed during the vital planting and harvesting periods. But while the percentage of students hired annually has remained near 40 percent since the 1960's, the percentage of housewives in the farm labor force had diminished from 18 percent in 1962 to 9 percent in 1976.

The peak number of migrant workers was reached in 1965 when 465,000 persons (about 15 percent of the resident hired farm labor force in December) reported they left home overnight to work in a different county or State. In 1976, only 213,000—or about 8 percent of the farm labor force—were defined as migrants.

Blacks represented about 30 percent of the farm work force in 1962, but this figure has dropped to only 14 percent in 1976. Minority workers accounted for just over a fourth of all persons performing hired farmwork last year. *Conrad Fritsch, (202) 447-8621.*





## Commodities

Midyear farm production prospects point to large crops again this year. Farmers were able to plant their crops at a record pace this spring and weather has been generally favorable to crop development so far this year. However, subsoil moisture remains short in many areas so crops will continue dependent on rainfall received during the growing season. It is still too early to know with any real certainty what the final size of the 1977 crop will be.

Drought conditions still plague the Far West along with areas of the South and upper Midwest. The important Corn Belt grain area continues to vary with some areas receiving good rains and other areas very dry. Hot weather in July has also stressed the crops in the driest areas.

### Big Wheat Crop, Carryover Imply Record 1977/78 Supply

The 1977 wheat crop was estimated at 2,044 million bushels as of July, 5 percent less than the peak 1976 harvest but still third largest on record.

The July forecast should be a fairly good measure of the final harvest this year, since harvest of winter wheat—typically about three-fourths of the total crop—was more than half completed by early July (which was a little ahead of normal) and development of spring wheat was well ahead of normal.

There are about 2 chances out of 3 that the crop will turn out no more than 75 million bushels above or below the July forecast.

A crop of the size estimated and the carryover of 1,109 million bushels from last year would put the supply for 1977/78 at 3,155 million bushels, 12 percent more than 1976/77 and the largest supply ever.

Wheat use for food in the United States in 1977/78 is estimated at about 558 million bushels, only a little more than last year. But wheat fed to livestock and poultry is expected to more than double to about 235 million bushels, since some increase is expected in feeding of all grains and wheat prices were unusually competitive with feed grain prices this summer.

The 1977 world wheat crop is projected near last year's record high. Basically, this means another year of record world supplies and keen competition in export markets. However, because of an expected increase in world imports due to smaller crops in the People's Republic of China, most Mediterranean countries, and Latin America, U.S. exports are expected to increase to about 1 billion bushels, 5 percent more than in 1976/77.

If wheat disappearance in 1977/78 works out at these levels, domestic use and exports together would total 10 percent more than in 1976/77. But this still would imply a buildup in the carryover next May 31, to perhaps nearly 1.3 billion bushels, largest since 1962.

### WINTER WHEAT PRODUCTION

Year	Area <sup>1</sup>	Yield	Output
	Mil. acres	Bu.	Mil. bu.
1970 .....	32.7	33.4	1,092
1971 .....	32.4	35.4	1,144
1972 .....	34.8	34.0	1,185
1973 .....	38.5	33.1	1,273
1974 .....	47.0	29.6	1,390
1975 .....	51.6	32.1	1,653
1976 .....	49.5	31.6	1,566
1977 .....	48.5	31.8	1,539

<sup>1</sup> Harvested.

At these levels of supply and disappearance, U.S. prices of wheat at the farm probably would average \$2.20-\$2.40 per bushel in 1977/78, compared with \$2.85 in 1976/77. Deficiency payments for the 1977 crop likely will be paid to farmers on their allotment production for the first time under the Agriculture and Consumer Protection Act of 1973.

Farm prices of wheat at harvesttime are running below \$2 per bushel, leading to heavy use of the loan program. But farm storage is relatively limited in the Southern Plains, so many growers are apparently selling their harvest rather than incur storage costs involved in off-farm loan placements. Once the disposition of harvest supplies is completed, prices will tend to strengthen seasonally, with heavy loan placements and the 3-year reserve program being major supporting factors. Often potential market factors are the pending farm legislation and programs, crop developments abroad, and the pattern of foreign purchases. *George R. Rockwell, Jr. (202) 447-8636.*

### All-Time High Seen in Feed Grain Supply

Feed grain supplies seem headed for a new all-time high in 1977/78 crops. The July of actual and prospective carryovers and recent estimates of 1977 crops. The July estimate of the corn crop was 6,331 million bushels, 2 percent more than the record 1976 harvest. Chances are 2 out of 3 that the crop will turn out no more than 485 million bushels above or below the July forecast.

At the beginning of their 1977/78 marketing year (June 1), stocks of barley were nearly the same as the year before but the oat carryover was smaller. However, carryover stocks on October 1 of corn and sorghum are likely to be considerably larger than the year before.

Coupling carryover stocks with 1977 feed grain crops as large as currently expected (around 218 million short tons, based on the July crop report), the feed grain supply for 1977/78 would total almost 253 million short tons. This would set a new high for the feed grain supply, 9 percent more than in 1976/77, and 1 percent more than the previous record in 1972/73.

Development of all feed grains is well ahead of normal this year. Since July 1, timely but scattered rains have provided needed moisture to most of the Corn Belt.



Crop progress is 2 to 3 weeks ahead of normal and the corn crop was in the critical ear formation stage by late July. However, because of low subsoil moisture, the crop continued to be dependent on timely rain-fall.

If 1977 feed grain crops turn out about in line with recent estimates, there likely will be pickup in livestock and poultry feeding in the United States in 1977/78, but some fall-off in exports from the estimated 54.6 million short tons in 1976/77, because of good world crop prospects. On balance, feed grain disappearance may total about the same as in 1976/77. Carryover stocks would be up substantially.

This outlook points to lower feed grain prices in 1977/78. The new farm legislation being considered in late July proposed a 25-cent increase in the loan rate for corn to \$2.00 per bushel. If this occurs, corn prices would average close to the \$2.00 loan rate.

Current prices are sensitive to weather developments, and the market tone for feed grains remains bearish. By the last week of July, prices for No. 2 yellow corn at Chicago were down to about \$2 a bushel, compared with \$2.44 in early June and around \$2.15 in early July. *George R. Rockwell, Jr. (202) 447-8636.*

#### PLANTED ACREAGE OF MAJOR CROPS

Crop	1973-75 aver- age	1976	1977		1977 as percent of 1976
			April <sup>1</sup>	June <sup>2</sup>	
Million acres					Pct.
Corn . . . . .	75.9	84.1	83.9	82.7	98
Sorghum . .	18.4	18.6	16.5	17.4	94
Oats . . . . .	18.2	17.5	18.2	18.5	105
Barley . . . .	9.9	9.3	11.0	10.4	112
Total feed grains . .	122.3	129.6	129.6	129.1	99
Winter wheat . . .	50.6	57.7	55.8	55.7	97
Durum . . . .	4.0	4.7	3.3	3.2	67
Other spring . . .	13.9	17.8	15.2	15.6	88
Total wheat . .	68.5	80.2	74.4	74.4	93
Soybeans . .	54.9	50.3	55.7	59.0	118
Cotton . . . .	11.9	11.7	13.7	13.4	115
Hay <sup>3</sup> . . . . .	61.5	60.9	61.6	61.7	101
Sugar beets .	1.4	1.5	1.3	1.3	84
Flaxseed . . .	1.7	1.0	1.6	1.5	146
Rye . . . . .	3.2	3.0	2.9	2.9	99
Tobacco <sup>4</sup> . . .	.98	1.0	.95	.96	92
Rice . . . . .	2.5	2.5	2.2	2.2	88
Other crops .	4.7	4.6	4.6	4.5	98
Total all crops . .	333.6	346.6	348.5	351.0	101

<sup>1</sup> Intentions as of April 1. <sup>2</sup> Reported plantings as of July 1. <sup>3</sup> Harvested acreage. <sup>4</sup> Partly estimated.

#### Pickup in Soybean Crop To Stimulate Crush, Exports

With soybean planted acreage about 17 percent above last year, 1977 soybean production could very well end up at around 1.6 billion bushels, approximately a fourth above 1976. Adding in the small expected carryover, supplies for 1977/78 would approach 1.7 billion bushels.

The improvement in supplies should mean lower prices—which in turn should stimulate both domestic crushings and exports. Total disappearance might move up slightly to about 1½ billion bushels, leaving carryover stocks on September 1, 1978 about double the 65 million now expected for this fall.

The season average price received by farmers would range between \$5 and \$6 per bushel, down sharply from the \$7.32 estimated for this season but still above the 1977 support price.

However, the outcome of this year's crop will depend on growing conditions in late July and August. If the weather is very favorable, production could range as high as 1.7 billion bushels, an increase of about a third from last year. Supplies would total a record high 1.75 billion bushels, spurring a moderate increase, perhaps about 6 percent in the domestic crush. However, with oilseed crops in other parts of the world bolstered by good weather, our exports would probably tail off sharply. Consequently, a large buildup in carryover stocks could result—and prices could decline sharply, perhaps averaging around \$5 per bushel.

Conversely, with unfavorable weather, the U.S. crop could dip to around 1.5 billion bushels, only a fifth above last year. With supplies approaching only about 1.6 billion bushels, total disappearance would match production, leaving carryover stocks again at bedrock levels of around 65 million bushels. Prices would continue strong, averaging around \$7 or \$8 per bushel.

During 1976/77, soybean prices were highly volatile throughout the year. They tumbled to about \$6 in early July after increasing from \$6 per bushel (No. 2 yellow, Chicago) last October to a seasonal peak of over \$10 in late April 1977. Current prices are averaging near \$6.50. Falling prices reflected the increased world competition from the 1977 Brazilian crop, the improving outlook for 1977 U.S. crop soybeans, and generally declining wheat and feed grain prices. *Stan Gazelle, (202) 447-8444.*

#### Rebuilding of Cotton Stocks Expected

Favorable prices for cotton prompted farmers to plant 13.4 million acres in 1977, slightly below April intentions but well above the 11.7 million of last year. With relatively favorable weather in the Cotton Belt in recent months, yields may exceed 1976's national average of 465 pounds per harvested acre. If yields, for instance, should average 480-500 pounds, 1977 production would total 12½ to 13 million bales, up from 10.6 million in 1976.

The larger prospective supply should spur U.S. mill use next year. Consumption in 1977/78 could climb as high as 7½ million bales if general economic and textile activity pick up sharply in coming months. On the other hand, if the current sluggish demand persists, mill use could fall slightly below the 1976/77 level of 6.7 million bales. Around 7 million bales now appear the most likely level for 1977/78 consumption.

U.S. cotton exports will depend on foreign demand and crop developments. Favorable weather in cotton exporting countries, coupled with weak demand, could cut U.S. exports sharply below the current season's estimated 5.1 million bales—perhaps to around 4 million. However, unfavorable weather abroad and strong demand could

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*Farm Income Statistics Available . . .* The Department of Agriculture regularly publishes a comprehensive set of income estimates relating to agriculture which have been developed over more than a third of a century. The data series, *Farm Income Statistics*, falls into three major categories:

- tables containing farm income revisions for 1974, 1975, and 1976.
- a set of historical tables on farm and personal income going back many years,
- a group of tables showing the distribution breakout of farm income and number of farms by value of sales class.

Copies of *Farm Income Statistics*, Statistical Bulletin No. 576 are available free by postcard or telephone (202) 447-7255 from the Publications Unit, Economic Research Service, Room 0054, South Building, U.S. Department of Agriculture, Washington, D.C. 20250. Please state your zip code.

give our exports a lift, enabling them to slightly exceed the relatively high 1976/77 level. U.S. exports of around 4½ million bales currently seem most likely.

All in all, the U.S. cotton outlook for 1977/78 is for production well in excess of disappearance. This situation points to a rebuilding in cotton stocks by August 1, 1978, to perhaps 3½ to 4½ million bales. This prospective carryover compares with an estimated 2½ million bales this summer and would be near the 1972/76 average. *Russell G. Barlowe, (202) 447-8776.*

### Raw Wool Prices Firm Despite Reduced Mill Consumption

Continued strength in domestic raw wool prices is foreseen in light of the expected smaller domestic and world clips, the backlog of business at U.S. woolen mills, and the supports maintained by raw wool exporting countries. Even combing length wools have been selling well, although worsted system manufacturers and top-makers indicate slow business. About 15 percent of the domestic wool clip remains unsold.

Prices of raw wool have remained firm despite reduced mill consumption. January-May's combined woolen and worsted system consumption of raw wool was off 11 percent from a year earlier. Mill consumption of apparel grade wool, scoured basis, during 1977 will probably total 95-100 million pounds. Mill consumption of carpet grade wools is likely to approximate the 15.1 million pound level of 1976. *J. Albert Evans, (202) 447-8776.*

### Large Sugar Stocks Depress Raw Prices

Barring an unexpectedly poor 1977/78 world sugar crop or unforeseen policy developments, raw sugar prices are likely to continue near current low levels. The 1976/77 record crop of near 87 million metric tons (raw value) is substantially bigger than estimated global consumption, which should lead to a substantial boost in global stocks and will tend to keep world raw prices from increasing much.

U.S. production of beet sugar this crop year may be down a fifth to a fourth from 1976/77, while cane sugar production should nearly match last year's level. The full impact of the smaller beet crop this fall will impact mostly on deliveries and imports in calendar 1978. U.S. imports in calendar 1977 may be slightly larger than in 1976. *Fred Gray, (202) 447-7290.*

### Fresh, Processing Vegetable Output Headed Up

Summer fresh vegetable supplies may be about 3 percent larger than a year earlier, based on acreage for harvest in major producing States and average yields of the past 3 years.

Among the major crops, plantings are larger for cabbage, carrots, corn, onions, and peppers, roughly the same for snap beans and lettuce, and smaller for celery and tomatoes.

Fresh market vegetable prices to growers tumbled during the spring to a level only 3 percent higher than in June 1976. Seasonally heavier supplies and simultaneous harvest of the same commodity from different sources pushed prices down rapidly.

During the summer, it appears that the index of fresh vegetable prices will hold near the third quarter 1976 figure of 169 (1967=100).

Growers and processors planted about 1 percent more acreage to processing vegetables than in 1976, with increases for freezing offsetting cuts for canning crops.

If average yields are realized, raw tonnage and total pack of processed vegetables in 1977 are likely to be about the same or slightly more than a year earlier. But a tomato crop moderately larger than in 1976 in California could push the 1977 total even higher. With smaller carryovers a certainty, this would mean about the same total supply of processed vegetables—and selective moderate price rises during the 1977/78 marketing season.

Wholesale prices of all major canned and frozen vegetables are moderately higher this summer than a year ago. The July ERS wholesale price index of canned vegetables was 176—13 percent more than in July 1976.

With stocks of many frozen vegetables relatively light, price comparisons with a year earlier show generally even greater gains, with prices 15-40 percent over a year earlier for most institutional and consumer packages.

The summer potato crop of 22.3 million cwt. is 2 percent less than a year ago, with a smaller acreage to be dug this season. It appears that hot weather is resulting in earlier harvest, and late summer crops are ahead of schedule.

The fall crop, which accounts for 85 percent of annual output has experienced generally favorable growing weather thus far. If good weather prevails during August as well, this crop could turn out close to the record of last year. However, demand may not be as strong this fall. Stocks of frozen potato products were 18 percent heavier than last year on July 1. The current figure is a record for the date. Any additional processor demand will likely be light. Furthermore, sharply reduced export sales may be expected.

The first acreage estimate of the important fall crop will be released on August 11. Earlier intentions suggested about 4 percent smaller plantings. *Charles Porter and Joseph Podany, (202) 447-8666.*

### Noncitrus Fruit Supply Tops 1976

Supplies of noncitrus fruits are expected to be slightly larger this year than last as larger production of apples, tart cherries, grapes, plums, and prunes more than offset smaller crops of apricots, sweet cherries, nectarines, pears, and peaches and smaller stocks of canned noncitrus fruit.

The index of prices received by growers for fresh and processed fruit, which hit 165 (1967=100) in May, has since dropped off some. However, during the next few months, prices should continue moderately higher than last year as remaining supplies of apples and oranges dwindle. *Jules V. Powell and Ben Huang, (202) 447-7133.*

### U.S. PRODUCTION OF SELECTED NONCITRUS FRUIT<sup>1</sup>

Crop	Utilized		Indicated
	1975	1976	1977
	Thou. tons		
Apricots . . . .	183	155	145
Cherries, sweet . . . .	152	169	131
Cherries, tart . . . .	145	73	106
Nectarines . . . .	111	133	130
Peaches <sup>2</sup> . . . .	1,421	1,509	1,494
Bartlett pears . . . .	510	587	549
Plums, California . .	124	115	140
Total . . . .	2,646	2,741	2,695
Prunes, California <sup>3</sup> .	149	145	152

<sup>1</sup> As of July 1, 1977. <sup>2</sup> Includes cling stone culis and cannery diversions. <sup>3</sup> Dried basis.

## Cattle Feeding on the Rise

With improving prospects for a large corn crop this year and resultant lower grain prices, the profitability of cattle feeding will be increasing. The lower grain prices should encourage larger placements of cattle on feed. However, higher feeder cattle prices—stemming from the recent smaller calf crops—may dampen some of the rise.

Even though beef production during second half 1977 could be off 4 to 5 percent from year-earlier levels, supplies will still be relatively large. Per capita beef consumption from July through December will be 3 or 4 percent below the year-earlier level. Pork consumption for July through December should about equal last year while broiler consumption will be up.

The large supply of meat will likely prevent large increases in beef prices in 1977. A 4- to 6-percent boost in retail beef prices over first half 1977 level is likely. Prices for Choice 900-1,100 pound steers at Omaha are expected to average in the low \$40's for the remainder of this year.

A glimpse into early 1978 shows further declines in beef production are probable. Year-to-year declines in production will likely be in excess of 5 percent during the first 6 months of 1978. With increasing consumer incomes, this decline in production likely will lead to higher prices for cattle and for beef at the retail level. Larger pork and broiler supplies, however, will temper these price rises. *James E. Nix, (202) 447-8143.*

**Beef Referendum Fails . . .** Cattle producers turned down a national beef research and information program, according to preliminary results of a nationwide referendum conducted by USDA. Of the 322,175 beef producers registered, roughly three-fourths voted and 56.5 percent of those voted affirmatively.

The Beef Research and Information Act was signed into law in May of 1976, but before provisions of the act could become effective, eligible beef producers had to register to vote, at least 50 percent of those registered had to vote, and two-thirds needed to vote affirmatively.

## Broiler Output Headed Up

Broiler chick placements suggest third quarter marketings will be around 3 to 5 percent above last year—and recent drops in soybean meal prices and continued favorable crop prospects will likely extend the expansion into 1978. Output this fall, and in the first half of 1978, may be around 5 percent above a year earlier.

Broiler prices (9-city wholesale) are expected to average in the mid-40's this summer before weakening to near 40 cents a pound this fall. The third and fourth quarters of 1976 averaged 41.5 and 35.5 cents, respectively. Broiler prices in the first half of 1978 may be about the same as January-June this year as below year-earlier red meat supplies and higher consumer incomes offset the effect of larger broiler supplies.

Egg production this summer will likely be below last year but may equal 1976 in the fall. Layer numbers have not gained as much as expected earlier and the unusually hot weather has caused output per hen to drop below last year's levels. However, favorable crop prospects will likely lead to expansion in the first half of 1978—perhaps 1 percent or more above 1977.

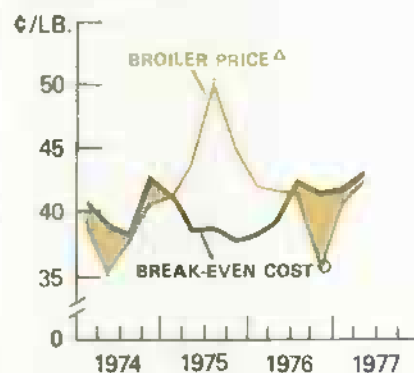
Egg prices (grade A cartoned at New York) are expected to strengthen in coming months from their mid-July level of 60 cents a dozen, but they will probably average below July-December 1976. With increased egg production during first half of 1978, egg prices may trail first half 1977. *Gerald Rector, (202) 447-8801.*

## Strong Gains in Milk Output Seen for Second Half

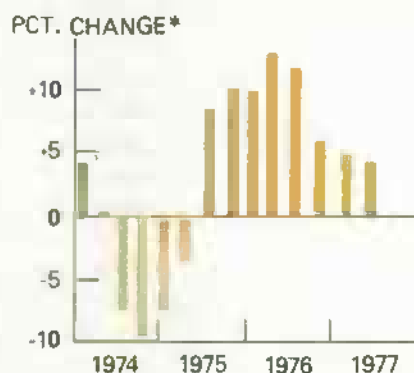
Expected favorable milk-feed relationships during second half 1977 probably will lead to fairly strong year-to-year gains in output per cow and declines in milk cow numbers likely will be modest. If milk production posts the steady gains now anticipated from last year's second-half surge, output in 1977 will total about 2 percent higher than 1976.

During the second quarter, very heavy milk output, large commercial stocks, and lackluster commercial use resulted in the largest spring surplus of dairy products in 5 years. Purchases under the price support program during April-June were equivalent to 2.6 billion pounds of milk—mostly in the form of butter, although American cheese purchases were the largest in a decade. Nonfat dry milk purchases were also quite heavy. Removals of all three products probably will remain substantial until fall.

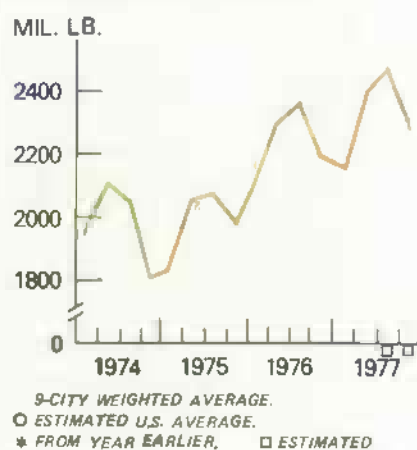
## ALTHOUGH RETURNS TO BROILER PRODUCERS TURN DOWN...



## ... BROILER CHICK PLACEMENTS CONTINUE UP...



## ... LEADING TO LARGER BROILER MEAT OUTPUT





Commercial use of milk and dairy products was slow this spring as butter sales were reduced by sharp drops from a year ago in bulk usage, fluid use was slightly lower, and cheese sales were about the same. Cheese sales may have been limited by retail meat prices below last year.

Commercial use of milk and dairy products may recover under the generally favorable retail price and consumer income conditions expected during the second half of the year. *Charles Shaw and James J. Miller, (202) 447-8915.*

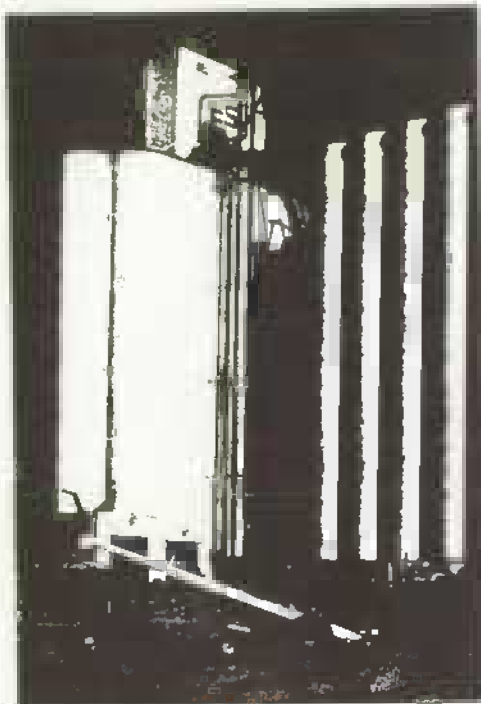
#### **Free Energy Savings Guide Available . . .**

Rising energy costs have become a fact of life across the United States, and farmers are as aware as other businessmen that these rising costs cut into their profits. While the winds of inflation have slackened for some other important farm inputs, the future for energy points to continued rising prices. The cost of energy has doubled in the past 10 years, with most of the increase coming in the last 3 years.

Farmers are coping with higher energy costs in much the same way they deal with any other problem: They are changing their operations to find the best solution they can. In the case of energy, they are trying to get the last drop of value out of a gallon of fuel, to wring more work out of a kilowatt-hour of electricity.

As part of the Federal Government's overall concern about energy and fuel use in this country, USDA's Economic Research Service, under contract by the Federal Energy Administration, has put together a series of booklets on energy conservation. These guidebooks are aimed at giving practical advice to the U.S. farmer and are written in a ready reference format. The most recent of these booklets is entitled *A Guide to Energy Savings for the Livestock User*. Other energy savings guides have been published for the poultry producer, vegetable producer, orchard grower, field crops producers, and dairy farmer.

While the supply lasts, single copies are available free from: Office of Communications, Publications Division, U.S. Department of Agriculture, Washington, D.C. 20250. Please state your zip code.



## **Storage and Transportation**

With large grain supplies likely in 1977/78, storage space may be at a premium this fall. Supplies of grains and soybeans in 1977/78 may total around 400 million short tons, around a tenth above a year ago and a record large supply. In mid-June, with the winter wheat harvest well underway, 42 percent of commercial grain storage facilities in this country were being used, up from 29 percent a year earlier.

With wheat prices now below loan levels and with corn prices likely to be close to loan rates at harvest, more farmers will likely be storing grain either individually or under USDA's loan program. Farmers have expanded onfarm storage facilities in recent years, and demand for storage bins continues quite strong.

USDA program changes in 1977 were designed to encourage expansion of onfarm storage and drying capacity. The maximum loan amount for construction of farm storage and drying facilities was raised from \$25,000 to \$50,000. The downpayment requirement was lowered to 15 percent from 30 percent, and interest rates were dropped from 7.5 to 7 percent.

#### **Grain Storage Capacity Increasing**

Farm grain storage, country elevators, and the transportation system closely interact during the critical harvest period. Adequate storage facilities appropriately

located and used can ease seasonal grain flows that strain the transportation system and can also help in placing grain to facilitate unanticipated export movements.

Because general purpose farm structures can serve for grain storage, total onfarm storage capacity is difficult to estimate. However, farm storage capacity is on the rise and has been estimated at around 6.2 billion bushels.

Annual estimates of off-farm grain storage capacity indicate increased capacity from around 5.6 billion bushels in early 1971 to more than 6.2 billion bushels beginning 1977. There are reports that off-farm storage capacity has continued to expand. During the past few years, January 1 off-farm grain stocks have averaged about 54 percent of off-farm capacity.

#### **Grain Storage Capacity and Needs Analyzed**

A study of grain storage needs and capacity this year was conducted for 15 major wheat and feed grain producing States (Wash., Kans., Tex., Okla., Nebr., Ill., Iowa, Ohio, Minn., N. Dak., Mont., Colo., Mo., Ky., and Tenn.). These States account for 73 percent of U.S. commercial grain storage and include two southeastern States which act as transshipment points for grain distribution.

Storage problems would seem likely to develop in two time periods: (1) early in the summer as the winter wheat harvest is peaking around July 1, and (2) commencing in October as the feed grains and soybeans harvest begins and peaking in December at harvest's end. Consequently, grain and soybean storage requirements were calculated for the 15 States as of July 1 and December 1, based on June 1 stock levels, 1977 production levels, and estimated utilization during the periods involved.

Estimates of commercial storage capacity generally were adjusted to remove the capacity of export elevators which do not perform long-term storage. However, despite some new facilities which have come on stream since January 1, actual storage

capacity may be somewhat less than shown in this analysis because:

—a portion of an elevator's storage capacity is usually used in shipping, receiving, and conditioning grain;

—generally only a single type and grade of grain will be stored in a given bin or tank; and

—a number of river elevators and terminals specializing in loading unit trains do not store grain in any meaningful sense. River elevators in these 15 States have about 138 million bushels of storage capacity. However, this difference is more likely to affect local surplus-deficit storage situations than to impact greatly at the State level.

### Midyear Storage Adequate

In general, it appears that sufficient high-quality storage facilities, both commercial and onfarm, were available for the U.S. winter wheat crop. Rains spread out the harvest season, thus helping prevent the sharp peaks in wheat moving into marketing and storage channels. In addition, the trade had anticipated the problem and prepared itself.

### GRAIN STORAGE CAPACITY AND NEEDS, SELECTED STATES

Item	15-State total <sup>1</sup>
Off-farm storage capacity (mil. bu.) <sup>2</sup> . . .	4,663
Off-farm capacity in use on April 1, 1977 (pct.) <sup>3</sup> . . . . .	46
Total storage capacity needed on July 1, 1977 (mil. bu.) <sup>4</sup> . . . . .	3,723
Implied on-farm storage needs (mil. bu.) . . . . .	259
Total storage capacity needed on Dec. 1, 1977 (mil. bu.) <sup>4</sup> . . . . .	7,907
Implied on-farm storage needs (mil. bu.) . . . . .	2,966
On-farm stocks Jan. 1, 1977 (mil. bu.) . . . . .	3,573
On-farm storage capacity. As reported by the 1974 Census of Agriculture (mil. bu.) <sup>5</sup> . . . . .	4,317

<sup>1</sup> Minn., N. Dak., Mont., Colo., Mo., Ky., Tenn., Wash., Kans., Tex., Okla., Nebr., Ill., Iowa, and Ohio. <sup>2</sup> Export elevator capacity not included.

<sup>3</sup> Export elevator capacity included. <sup>4</sup> Estimated based on production, stocks, and disappearance.

<sup>5</sup> Estimated using mid-point of response range.

Of the 15 States studied, only Oklahoma, North Dakota, Kentucky, and Montana were holding total stocks in excess of commercial storage capacity, and only Oklahoma appeared to have onfarm storage requirements greater than was actually on farms last January 1. Reports of storage shortages have been received from Oklahoma. The 1974 Census of Agriculture reported enough onfarm storage to cover requirements in that State. Even if a large part is of poor quality, neighboring Texas should have sufficient commercial storage to handle the situation.

### Late 1977 Storage Situation Tight

When the corn, soybean, and other grain crops are harvested this fall, an unusually severe storage pinch may occur. Reports of elevators allocating storage space to customers on the basis of prior levels of business and of elevators refusing to store producer-owned grain have been made.

By December 1, around 8 billion bushels of storage will be needed in these 15 States, compared with about 4.7 billion bushels of commercial storage capacity. This implies the need for around 3.0 billion bushels of onfarm storage. The Census of Agriculture reported onfarm storage capacity (15 States) of around 4.5 billion bushels in 1974. However, data on onfarm storage are questionable, with a wide variation existing among different reporting sources even for the same State.

Of the 15 States studied, 12 had storage needs in excess of commercial storage capacity. Iowa, Illinois, Minnesota, North Dakota, Montana, Kentucky, and Tennessee are estimated to require 200 percent or more of their commercial storage capacity. The opportunity to store grain in neighboring States will likely be very limited.

### Storage Shortages Could Boost Transportation Costs

If substantial localized shortages of storage space occur this fall, producers and country elevators will be forced to seek alternative storage facilities, thus boosting handling costs. For example, shifting from a 5-mile haul in farm wagons to a 70-mile haul in a gooseneck trailer would increase marketing costs almost 19 cents a bushel.

At the same time, railcars normally shuttle between country elevators and terminals during harvest. If these cars must move greater distances, the effective railcar supply would be reduced, further aggravating the grain marketing bottleneck. *T. Q. Hutchinson, (202) 447-6363.*

**Investors Handbook . . .** An investment evaluation handbook issued recently by USDA's Economic Research Service (ERS) offers business managers, including farmers, easy-to-use guides for analyzing investment opportunities.

The ERS handbook, using examples, shows managers how to classify and compare various costs and returns. Formulas are given which can be applied to business decisions. For example, should the manager invest his money in a larger inventory or should he invest it in more land? Should he purchase additional fertilizer or invest in relatively longer term projects such as fencing?

The handbook formulas emphasize the time-value concept of money by using compounding and discounting methods, which the handbook calls "essential to sound economic analysis."

Aimed at the businessman, the handbook can also be used to make household decisions: One example shows how much has to be saved each month to reach a savings goal in 5 years. The effect of compounding interest is emphasized. Still another example demonstrates the least cost choice between a life membership in an organization or annual renewals.

A single, free copy of "*The Evaluation of Investment Opportunities: Tools for Decisionmaking in Farming and Other Businesses*," A11-349, is available from ERS Publications, 0054-S, U.S. Department of Agriculture, Washington, D.C. 20250. Or phone (202) 447-7255. Please state your zip code.

**August Situation Report Schedule . . .** Situation reports which will be released by the World Food and Agricultural Outlook and Situation Board this month include:

Title	Off Press
Vegetable	August 5
Livestock and Meat	August 12
Export Outlook	August 12
Ag Supply and Demand	August 19

Single copies of the above reports may be obtained by writing to: ERS Publications Unit, Room 0054, South Building, USDA, Washington, D.C. 20250. Please state your zip code.





## General Economy

The nation's Gross National Product (GNP), after adjustment for inflation and seasonal factors, increased at a 6.4-percent annual rate in the second quarter. This performance was still vigorous even though somewhat below the revised first quarter growth rate of 7.5 percent.

Real final sales (GNP excluding inventory adjustments) expanded at a faster rate in the second quarter largely due to the sharp increase in government expenditures as well as improvements in net exports and fixed investment. Personal consumption expenditures, on the other hand, rose more slowly, mainly in the durable goods area.

Fluctuations in business inventories have been a major force in recent overall output changes. The dramatic output surge during the first quarter was due largely to rapid inventory accumulation. In contrast, total output received only a slight boost from the increase in inventory accumulation during the second quarter.

Real GNP during the second half of 1977 is expected to grow 5 to 5½ percent. Business will be good, but will not show the strong gains racked up in the first half.

The recent strong real growth is confirmed by other measures of physical output. Industrial production, during the

second quarter, rose at a healthy 12.5 percent on an annual basis from the first quarter, which, because of bad weather, grew at only a 5.3 percent rate. Business equipment and autos were the leaders. In addition, the high level of housing starts continued through June.

### Consumer Demand Moderates

Real personal consumption expenditures during the second quarter increased 0.5 percent rate compared with a 1.3 percent increase during the first quarter. The increase in motor vehicle sales during the first quarter was simply not sustainable in the second quarter. Durables other than motor vehicles and nondurables other than energy were strong in the second quarter after only small increases in the first quarter.

Retail sales, seasonally adjusted, declined slightly in June for the third month in a row, accompanied by a slowing in the rise of consumer credit in April and May. However, both sales and consumer credit remained at high levels. Contrary to the overall trend, food store sales moved up each month during the second quarter, but apparel store sales were weak.

The retail sales figures haven't been the only indicators pointing down lately. The Commerce Department's index of leading economic indicators declined 0.2 percent in May and factory orders slipped in May for the second consecutive month.

### Expansion in the Labor Market

Total employment continued to expand markedly in June. Over the past 8 months employment has increased 2.9 million. This strong growth brought the employment-population ratio close to the record highs of early 1974.

Disposable personal income increased more rapidly in the second quarter, largely as a result of a much smaller increase in personal taxes. But, personal outlays remained sluggish as the savings rate rose to 5.5 percent from the low 4.1 percent during the first quarter.

The unemployment rate for the second quarter at 7.0 percent was an improvement over the first quarter and the same quarter a year ago. During both of these quarters, the unemployment rate registered 7.4 percent.

### Business Investment Slips

Real business expenditures for new plant and equipment increased more slowly in the second quarter. The first quarter increase, buoyed by strong auto expenditures, was difficult to surpass. As a result, the second

quarter increase in producers' durable equipment was considerably below the first quarter performance.

Real business expenditures for new plant capacity, however, increased 8.9 percent on an annual basis after declining slightly during the first quarter.

According to a survey by the Department of Commerce, business plans to spend 12.3 percent more on new plant and equipment this year—approximately 7½ percent more after adjustment for inflation. This relatively low level of spending plans may be, in part, the result of excess capacity in the economy. In June, the factory operating rate stood at 83.5 percent.

### Inflation Remains a Problem

The GNP implicit price deflator, a broad indicator of inflation rates of all domestically produced goods and services, increased at a 6.6 percent annual rate during the second quarter. This compares with an increase of 5.3 percent during the first quarter.

Another measure of inflation, the Consumer Price Index (CPI) rose a seasonally adjusted 0.6 percent in June, the same as the May increase. On annual basis, the inflation rate during the second quarter was 8.1 percent compared with 10.0 percent during the previous quarter. The CPI food index at 12.7 percent was still at double digit levels during the second quarter.

A sharp drop in wholesale prices of farm products and processed foods and feeds caused the overall seasonally adjusted Wholesale Price Index (WPI) to decline 0.7 percent from May to June. This was the first month-to-month drop since last August. The WPI rose in the second quarter at a 4 percent annual rate, much slower than the 10.2 percent during the previous quarter.

### Government Spending Expected to Rise

Federal, State, and local spending, adjusted for inflation, will be rising strongly during the second half of the year. Late last year and early this year, real Government spending declined. But as Federal employment programs get underway, Federal spending will rise 14 percent in fiscal 1978, offsetting the slower growth in inventory investment and personal consumption. Ruth Elleson, (202) 447-7643.





## America's Return to the Countryside: The Impact on Agriculture

by Calvin L. Beale, Economic Development Division, Economic Research Service

The abrupt about-face of U.S. migration patterns—from a move to the cities in the 1960's to an exodus from them in the 1970's—is already hitting home on the U.S. agricultural sector.

The latest readings on U.S. population shifts show that the most marked demographic turnarounds are taking place in the open country rather than in the towns. Substantially increased building and reoccupancy of open country homes, together with parcelization of land into small residential acreages, has already generated concern among many local agricultural officials.

How long this trend will continue is not foreseeable, anymore than its origin was. At present, it does not seem to be accelerating, but neither has it diminished. But it is already changing the face of the U.S. countryside—and consequently is of major significance to U.S. agriculture.

Since 1970 the growth rate in the nonmetropolitan population (in small cities and rural areas) averaged 6.6 percent, well ahead of the 4.1-percent rate for metropolitan areas (cities of at least 50,000 people plus suburbs and major commuting zone). In contrast, in the 1960's the nonmetropolitan population growth rate was only one-fourth as high as that in metropolitan areas.

This shift is due to changes in migration, not to changes in births and deaths. From 1970 to 1975, about 1.8 million more people moved into nonmetropolitan communities than moved out. By contrast, a net of 3 million moved away from these same areas in the 1960-70 decade. Migration into metropolitan areas dropped from 6.0 million in the 1960's to 0.6 million in the first half of the 1970's. (The sum of migration for both areas represents the amount of net immigration into the United States from abroad).

The revived growth in nonmetropolitan areas is geographically widespread. All regions seem affected. During the 1960's, about 1,300 rural and small town counties declined in population. Thus far in the 1970's, more than half of these counties have begun to increase in population and most of the 600 or so that are still in decline are having much lower rates of loss than in the past.

### Reasons for the Rural Renaissance

While many factors seem to be involved in these rather dramatic demographic changes, they can be generalized to three broad influences:

- Reduced displacement of people from rural extractive industries;
- Increased rural and small town employment opportunities in other industries;
- Nonmoney motivations.

Agricultural employment has fallen very little since 1970. It dropped only by 80,000—or less than 3 percent—from 1970 to 1975, compared with a decline of 2.0 million jobs, or 37 percent, from 1960 to 1970. Mining employment increased by a fifth in the first half of the 1970's and numerically more than made up for the losses sustained in the 1960's. In some counties, particularly in the West, the increased employment in production of mineral fuels has created veritable boom conditions in rural areas.

But other nonmetropolitan employment has grown as well. Substantial decentralization of manufacturing took place in the 1960's and has continued in the current decade.

Since 1970, the rate of employment growth seems to have been greater in nonmetropolitan locations than in metropolitan areas for almost every major industry group. This is true of trade and services activities, as well as primary goods-producing work.

Furthermore, the commuting distance into metropolitan locations seems to have increased. The counties that adjoin metropolitan areas are growing more rapidly than those that are farther away. Many such counties are highly rural in appearance, land use, and density of people but serve increasingly as homes for people who work in the metropolitan area but prefer not to live in it.

This trend is linked to the third set of factors mentioned—those of a nonpecuniary nature. Since the mid-1960's, national opinion polls have indicated that many millions of urbanites would prefer a rural or small town residence and apparently have lived in the metropolitan setting only for economic reasons.

The improved economic climate in non-metropolitan communities seems to have motivated many people to move away from the metropolitan areas—especially the largest ones—even though the average level of wages and family income is still lower in rural areas and small towns.

This trend has also been fostered by the rapid growth of the retired population. The number of retired workers receiving Social Security benefits has been increasing at about 5 percent a year since 1970, and retirements from other systems, such as the Federal Civil Service, have increased even more rapidly. There are many more people than ever before who can retire at a comparatively early age with reasonably good pensions.

Most of them do not move. But of those who do, a disproportionate number relocate to nonmetropolitan areas. Although many are still attracted to Florida and Arizona, their destinations have become much more varied than in the past. The Ozarks, northern Michigan, the Texas hill country, the southern Blue Ridge, the Sierra Nevada foothills, and a variety of other locations have felt the impact of this movement.

### Impact of the Population Shift

The implications of the current shift of population toward smaller scale communities are only partly understood, and the outlook is uncertain. It does seem valid to say that the trend of the 1970's is placing

greater proportion of the population into the size and type of settlement that it prefers, and that such a trend should be of general personal and social benefit. The trend is also serving to stabilize the population and to normalize the age composition of many rural communities that had experienced several decades of consecutive outmigration of most of their young adults. This has a variety of consequences for the vitality of communities and for their ability and willingness to provide public services.

But there are other outcomes as well. While generally widespread, the growth is not evenly distributed. In some areas it is occurring at rates that are so rapid they are beyond the capacity of governments to deal with effectively. And while the impact on the open countryside—and on the availability, use, and prices of agricultural land—can't yet be quantified, past trends suggest the heightened competition for rural land will exert upward pressure on prices. (See Inputs section, "Nonfarm Factors Influence Farm Real Estate Values," in this issue.)

The forces producing the decentralization trend in population are numerous and currently rather compelling. The one specific possible event that observers think might override the momentum of the trend is a recurrence of an oil shortage, or a major increase in gasoline prices.

Rural residents are more dependent on automobile transportation than are city dwellers and use more of it per capita. Although the oil embargo period of 1974 was comparatively brief, it did appear to put a quick damper on construction activity in some of the long-distance commuting areas surrounding big cities.

The higher population growth of non-metropolitan areas since 1970 is not leading to a predominantly rural and small town nation. Many small and medium size metropolitan areas are enjoying the same growth rates.

Generally, it is metropolitan areas of more than 750,000 people where growth has slowed or populations have even begun to decline. While this trend will inevitably be somewhat self-correcting, the time required could be lengthy if major metropolitan areas do not make perceived progress in attacking their problems and if the current positive evaluation of rural and small town modes of life continues.

**Directory of Rural Agencies . . .** The National Rural Center, an independent, nonprofit organization, has published a *Directory of Rural Organizations*. The Directory contains a listing and description of major national organizations involved in various aspects of rural development and policies. Copies of the Directory are available without charge, and can be obtained by writing: National Rural Center, 1200 18th Street, N.W., Washington, D.C. 20036. Please state your zip code.

**Farm Accident Fatalities . . .** The farm death rate peaked at 17.7 persons per 100,000 in 1967, but dropped to 16.1 in 1975 according to ERS analysts. That's just above the year-earlier 15.1 rate, the lowest recorded during the 1964-74 period.

Machinery-related accidents—machinery is the number one contributor to farm fatalities—accounted for 24 percent of farm fatalities in 1974. And 77 percent of these accidents were in the prime work months, April-October. Being crushed or struck by an object was the cause of death in 18 percent of farm fatalities. Many of these accidents were also machine related.

The chief victims of machinery accidents were older people (those over 55), showing that age can become a factor when assessing causes of farm accidents.

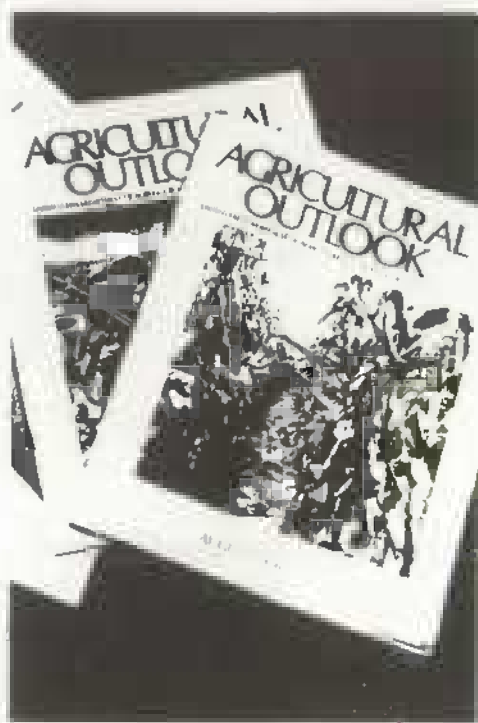
While these older persons represent only a fourth of the workforce, they're involved in a third of the fatal accidents. Nearly half the people killed by machinery in 1974 were over 55.

While at least 60 percent of all farm fatalities are work related, many are not. The breakdown reflects the combination of work and recreation activities that are unique to farm life. Much of the recreation involves swimming and fishing, and drownings are a major cause of accidental farm deaths.

### U.S. POPULATION CHANGES

Residence	Population change		Net migration	
	1960-70	1970-75	1960-70	1970-75
	Pct.		Thou.	
U.S. total . . . . .	13.4	4.8	3,001	2,466
Metropolitan . . . . .	17.3	4.1	5,997	625
Nonmetropolitan . . . . .	3.9	6.6	-2,996	1,841
Adjacent counties <sup>1</sup> . . . . .	7.3	7.4	-724	1,127
Nonadjacent counties . . . . .	1.4	5.7	-2,273	713

<sup>1</sup> Nonmetropolitan counties adjacent to Standard Metropolitan Statistical Areas.



## AO: A Progress Report to Readers

With the July issue, *Agricultural Outlook* (AO) began its third year of publication. Our second year saw many changes—all part of a major effort to better respond to readers' needs for timely information on the broad spectrum of food and fiber developments.

Among these: We're now plugged into a monthly analytical system for updating the outlook in response to rapidly changing conditions; we've focused new attention on such critical areas as weather and policy; and we've done some redesigning to improve readability.

Beginning last month, AO has entered the age of miniaturization. Through an agreement with the Commerce Department's National Technical Information Service (NTIS), subscriptions are now available in microfiche (see inside front cover for details). NTIS charges a subscription rate to recover its costs for this service.

We recently enlisted the cooperation of several hundred readers in conducting a comprehensive readership survey. Survey results include detailed feedback on the information needs of readers as well as a measure of how effectively AO is meeting those needs. Some of the highlights:

Seventy percent of paid subscribers fell into six major occupational categories (listed in descending order of response) manufacturing/supplying farm inputs; banking or finance; manufacturing or processing food or fiber products; education; commodity trading or brokerage firm; and farming/ranching. Other categories included market consultant; Government; farm, business, or labor association; wholesaling or retailing, transportation or warehousing; and news media.

The two most popular sections of AO are those covering the overview of the agricultural economy and commodities, with 90 percent of readers depending on AO as an important source for overview analysis and over 70 percent for commodity demand or price forecasts. The majority of readers urged more outlook, both short and long term, but there was no clear mandate for less of anything. Readers rejected the idea of issuing AO less frequently at a reduced subscription rate, but over half requested a statistical supplement and an annual index of contents.

Nearly 60 percent of paid subscribers keep their issues of AO for over a year—fewer than 8 percent discard issues less than 3 months old. About 40 percent of readers disseminate information found in AO, most of these internally but many others through newsletters, farm or trade journals, newspapers, and radio/TV. Over 85 percent of paid subscribers receive other Economic Research Service situation reports.

Survey results are still being analyzed to provide guidelines for improving AO.

In addition to feedback from readers, peer review is an important check on any periodical. AO has been submitted for critique to communications professionals and has been judged competitively against other technical publications, both commercial and Government. In fact, since June 1976, AO has won two noteworthy awards from professional communications societies for content and appearance.

### Looking Ahead

Already under consideration for the coming year are a statistical supplement for AO and a continuing review of content and design.

We also remain committed to our campaign to hold the line on costs associated with AO. During our second year, we managed to contain major costs by keeping a tight rein on the production and printing of the report.

We are now considering—and testing—different postal classifications. Postage is the biggest cost component of AO. Of course, we realize that we publish dated information that readers need with minimum delay, and we're looking for the postal class that best matches cost-savings benefits with timely delivery service. We're also working to further streamline the production process—printing time has been cut by 2 days—and this may compensate for any additional mailing delay.

Although the subscription price for AO is set independently by the Government Printing Office, we're checking to see if the potential cost reduction resulting from a new postal classification can be passed on to our readers through a reduced subscription rate.

We welcome comments from readers on this progress report or any other aspects of our information services.

If you would like a quantity of *Agricultural Outlooks* to give out at meetings or business conventions, just call or write to *Agricultural Outlook*, Rm. 453, 500 12th Street, S.W., Washington, D.C. 20250. (202-447-6250). We'll be happy to supply you with free copies while supplies last.



# Statistical Indicators

## Farm Income

*Editor's Note: Several tables this month will show January-June 1975, 1976, and 1977 totals or averages rather than Annual 1974, 1975, and 1976 data. Refer to last month's issue (AO-23) to obtain these annual data. Tables showing first half data are Farm Prices Received and Paid, Wholesale and Retail Prices, Monthly Farm-Retail Price Spreads, Transportation, and General Economic Data. We plan to show the January-June data for commodities and farm income in the September issue.*

*The farm income data for 1974, 1975, and 1976 appearing in this issue have been revised. More detailed information on farm income data for these years, as well as historically, is available in Farm Income Statistics, Economic Research Service, USDA, Stat. Bulletin 576, July 1977.*

### Gross and net farm income<sup>1</sup>

Items	Annual			1974	1975				1976				1977	
	1974	1975	1976	IV	I	II	III	IV	I	II	III	IV	I	II
	\$ Bil.													
Cash receipts from farm marketings . . . . .	92.4	88.1	94.3	90.7	79.7	89.5	94.1	89.0	93.0	100.4	91.5	92.4	95.9	100.5
Livestock and products . . . . .	41.3	43.0	46.4	38.7	37.0	43.1	45.3	46.7	46.3	48.3	45.5	45.4	45.3	48.1
Crops . . . . .	51.1	45.1	47.9	52.0	42.7	46.4	48.8	42.3	46.7	52.1	46.0	47.0	50.6	52.4
Nonmoney and other farm income <sup>2</sup> . . . . .	7.5	8.6	9.3	7.8	7.7	8.4	9.2	9.1	9.1	9.2	9.4	9.5	9.7	9.8
Realized gross farm income . . . . .	99.9	96.7	103.6	98.5	87.4	97.9	103.4	98.1	102.1	109.6	100.9	101.9	105.6	110.3
Farm production expenses . . . . .	72.2	75.9	81.7	72.4	72.4	75.7	78.8	76.7	79.1	84.2	82.3	81.2	83.1	87.1
Farmers' realized net income . . . . .	27.7	20.8	21.9	26.1	15.0	22.2	24.6	21.4	23.0	25.4	18.6	20.7	22.5	23.2
Net change in farm inventories . . . . .	-1.6	3.5	-1.9	-3.5	4.0	1.5	2.9	5.5	-1.5	-2.2	-1.0	-2.7	-.5	-.7
Farmers' total net income . . . . .														
Current prices . . . . .	26.1	24.3	20.0	22.6	19.0	23.7	27.5	26.9	21.5	23.2	17.6	18.0	22.0	22.5
1967 prices <sup>3</sup> . . . . .	17.3	14.6	11.4	14.3	11.7	14.5	16.3	15.7	12.5	13.3	9.9	10.0	12.0	12.0

<sup>1</sup> Quarterly data are seasonally adjusted at annual rates. All data revised July 1977. <sup>2</sup> Includes government payments to farmers, value of farm products consumed in farm households, rental value of farm dwellings, and income from recreation, machine hire, and custom work. <sup>3</sup> Deflated by the index of prices paid by farmers for family living items on a 1967 base. In 1977 movement is based on the overall change in the consumer price index.

### Cash receipts from farming

Items	Annual			1976		1977				
	1974	1975	1976	May	Dec	Jan	Feb	Mar	Apr	May
	\$ Mil.									
Farm marketings and CCC loans <sup>1</sup> . . . . .	92,449	88,077	94,326	6,573	8,608	8,078	6,733	6,902	6,566	6,696
Livestock and products . . . . .	41,359	43,024	46,389	3,905	3,821	3,615	3,680	3,951	3,842	3,946
Meat animals . . . . .	25,164	25,818	27,188	2,247	2,223	2,064	2,181	2,309	2,211	2,268
Dairy products . . . . .	9,445	9,909	11,425	1,012	939	943	879	982	996	1,042
Poultry and eggs . . . . .	6,257	6,791	7,192	584	605	565	579	620	583	582
Other . . . . .	493	506	584	62	54	43	41	40	52	54
Crops . . . . .	51,090	45,053	47,937	2,668	4,787	4,463	3,053	2,951	2,724	2,750
Food grains . . . . .	8,511	7,763	6,799	326	464	598	394	345	310	368
Feed crops . . . . .	13,959	12,153	13,475	811	1,278	1,442	954	831	657	720
Cotton (lint and seed) . . . . .	2,893	2,311	3,552	49	970	416	220	127	140	2
Tobacco . . . . .	2,097	2,155	2,270	4	321	205	62	92	32	14
Oil-bearing crops . . . . .	9,965	7,278	8,855	523	630	1,021	663	651	625	703
Vegetables and melons . . . . .	5,329	5,330	5,281	381	283	322	312	356	413	424
Fruits and tree nuts . . . . .	3,435	3,531	3,500	283	312	180	194	229	180	226
Other . . . . .	4,901	4,532	4,205	291	529	278	255	320	366	294
Government payments . . . . .	530	807	712	16	131	97	100	105	48	25
Total cash receipts <sup>2</sup> . . . . .	92,979	88,884	95,038	6,589	8,739	8,175	6,833	7,007	6,614	6,721

<sup>1</sup> Receipts from loans represent value of loans minus value of redemptions during the month. <sup>2</sup> Details may not add because of rounding.

# Farm marketing indexes (physical volume)

Items	Annual			1976		1977				
	1974	1975	1976	May	Dec	Jan	Feb	Mar	Apr	May
	1967=100									
All commodities .....	111	113	121	100	135	127	104	104	99	99
Livestock and products .....	104	106	111	106	114	107	106	115	110	111
Crops .....	121	124	134	90	166	153	102	90	81	81

## Cash receipts<sup>1</sup> from farm marketings, by States, January-May

State	Livestock and Products		Crops <sup>2</sup>		Total <sup>3</sup>	
	1976	1977	1976	1977	1976	1977
	\$ Mil. <sup>3</sup>					
NORTH ATLANTIC						
Maine . . . . .	106.3	113.6	114.9	94.4	221.1	208.0
New Hampshire . . . . .	24.3	24.3	8.3	8.7	32.6	33.0
Vermont . . . . .	101.6	96.3	8.5	9.2	110.1	105.4
Massachusetts . . . . .	46.7	47.5	38.1	39.3	84.8	86.8
Rhode Island . . . . .	5.5	5.7	5.9	5.8	11.4	11.4
Connecticut . . . . .	56.0	55.3	55.5	58.6	111.5	113.9
New York . . . . .	522.4	495.5	166.0	179.2	688.4	674.7
New Jersey . . . . .	46.9	46.5	45.2	50.7	92.1	97.2
Pennsylvania . . . . .	537.0	550.3	181.0	211.6	718.0	761.9
NORTH CENTRAL						
Ohio . . . . .	481.4	469.5	482.4	624.7	963.8	1,094.2
Indiana . . . . .	553.5	531.2	563.3	708.5	1,116.7	1,239.7
Illinois . . . . .	797.0	762.3	1,721.8	1,922.6	2,518.8	2,684.9
Michigan . . . . .	342.6	336.1	323.6	285.5	666.1	621.6
Wisconsin . . . . .	1,052.2	1,067.6	174.8	157.9	1,227.0	1,225.5
Minnesota . . . . .	922.1	899.2	564.6	597.2	1,486.7	1,496.4
Iowa . . . . .	1,680.1	1,604.4	1,025.2	1,307.2	2,705.3	2,911.6
Missouri . . . . .	650.3	628.1	295.1	351.9	945.4	980.0
North Dakota . . . . .	184.4	181.2	417.0	400.8	601.4	582.0
South Dakota . . . . .	616.3	601.6	157.4	98.9	773.7	700.5
Nebraska . . . . .	923.6	906.4	674.0	633.0	1,597.6	1,539.4
Kansas . . . . .	887.4	824.1	595.0	615.8	1,482.4	1,439.9
SOUTHERN						
Delaware . . . . .	73.1	73.7	16.6	18.7	89.7	92.4
Maryland . . . . .	177.5	178.5	62.4	73.5	239.9	252.0
Virginia . . . . .	215.0	258.3	75.0	74.3	290.0	332.7
West Virginia . . . . .	37.2	37.5	10.6	13.1	47.8	50.6
North Carolina . . . . .	443.2	454.0	155.4	185.1	598.6	639.1
South Carolina . . . . .	118.1	115.8	98.8	117.0	216.9	232.9
Georgia . . . . .	500.3	507.7	202.1	200.8	702.4	708.5
Florida . . . . .	290.7	303.4	1,235.1	1,093.5	1,625.8	1,396.9
Kentucky . . . . .	295.7	295.3	283.2	397.3	578.9	692.6
Tennessee . . . . .	288.5	293.2	120.2	148.0	408.7	441.2
Alabama . . . . .	432.7	433.2	131.2	162.7	563.9	596.0
Mississippi . . . . .	274.4	282.3	261.4	233.4	535.9	515.6
Arkansas . . . . .	423.4	443.7	322.6	329.2	746.1	772.9
Louisiana . . . . .	171.3	175.0	214.1	188.7	385.4	363.6
Oklahoma . . . . .	510.8	507.3	170.4	193.3	681.3	700.6
Texas . . . . .	1,351.4	1,334.1	833.2	887.1	2,184.5	2,222.1
WESTERN						
Montana . . . . .	118.3	115.7	209.3	214.2	327.6	329.8
Idaho . . . . .	181.3	174.1	295.7	232.7	476.9	406.7
Wyoming . . . . .	82.9	77.1	19.3	19.5	102.3	96.5
Colorado . . . . .	556.7	546.8	162.6	158.3	719.3	705.1
New Mexico . . . . .	176.3	170.3	49.8	50.1	226.1	220.4
Arizona . . . . .	247.9	247.9	213.3	285.7	461.2	533.5
Utah . . . . .	102.2	94.0	29.0	26.5	131.2	120.5
Nevada . . . . .	38.7	37.6	15.5	19.4	54.2	57.0
Washington . . . . .	219.5	213.2	392.8	343.4	612.3	556.5
Oregon . . . . .	139.6	134.7	185.8	181.1	325.5	315.8
California . . . . .	1,255.5	1,254.7	1,598.5	1,624.5	2,854.0	2,879.1
Alaska . . . . .	1.8	1.8	.8	.8	2.7	2.7
Hawaii . . . . .	26.4	26.9	107.6	107.6	134.1	134.5
UNITED STATES						
Grand Total . . . . .	19,288.0	19,033.9	15,089.9	15,941.0	34,377.9	34,974.9

<sup>1</sup> Estimates as of the first of current month. <sup>2</sup> Sales of farm products include receipts from loans reported minus value of redemptions during the period. <sup>3</sup> Rounded data may not add.

# Farm Prices: Received and Paid

Indexes of prices received and paid by farmers, U.S. average\*

Items	January-June			1976	1977					
	1975	1976	1977	June	Jan	Feb	Mar	Apr	May	June
	1967=100									
Prices Received										
All farm products	180	189	188	195	183	187	190	191	194	184
All crops	202	196	206	209	198	203	211	214	214	198
Food grains	242	223	154	217	160	163	160	157	148	137
Feed grains and hay	235	221	203	237	207	208	210	206	202	187
Feed grains	237	219	195	235	201	201	202	199	192	177
Cotton	158	246	292	297	277	284	310	301	298	281
Tobacco	166	158	173	158	173	172	172	174	174	174
Oil-bearing crops	205	180	282	222	245	252	276	314	319	286
Fruit	140	132	139	125	119	122	131	141	165	156
Fresh market <sup>1</sup>	138	131	134	123	110	113	124	136	164	156
Commercial vegetables	163	159	195	148	203	225	227	191	170	154
Fresh market		171	219	156	235	267	270	199	185	160
Potatoes <sup>2</sup>	192	232	202	219	168	179	182	203	244	235
Livestock and products	160	183	173	184	170	174	171	172	176	173
Meat animals	157	181	166	187	158	163	162	165	175	170
Dairy products	163	190	188	181	192	190	187	187	185	186
Poultry and eggs	170	177	178	173	183	192	183	177	168	166
Prices Paid										
Commodities and services,										
Interest, taxes, and wage rates	178	191	202	193	198	200	201	204	204	203
Production items	179	193	201	196	196	199	201	204	205	203
Feed	189	186	201	199	197	200	202	204	205	198
Feeder livestock	124	162	156	162	142	153	158	166	166	154
Interest payable per acre on farm real estate debt	271	303	328	303	328	328	328	328	328	328
Taxes on farm real estate	166	176	186	176	186	186	186	186	186	186
Wage rates (seasonally adjusted)	190	211	226	209	229	229	229	224	224	224
Production items, interest, taxes, and wage rates	184	199	209	201	204	207	209	211	212	210
Prices received (1910-14=100)	449	472	470	488	457	468	474	477	484	461
Prices paid, etc. (Parity index) (1910-14=100)	603	650	686	657	673	679	685	692	695	691
Parity ratio	74	72	69	74	68	69	69	69	70	67

<sup>1</sup> Fresh market for noncitrus and fresh market and processing for citrus. <sup>2</sup> Includes sweetpotatoes and dry edible beans. \*Historical data in SRS report *Agricultural Prices, Annual Summary 1976*.

Prices received by farmers, U.S. average\*

Commodities	January-June			1976	1977					
	1975	1976	1977	June	Jan	Feb	Mar	Apr	May	June
<b>Crops</b>										
All wheat (\$/bu.)	3.63	3.52	2.32p	3.42	2.43	2.47	2.43	2.37	2.19	2.00p
Rice, rough (\$/cwt.)	11.08	7.12	6.99p	6.82	6.79	6.87	6.81	6.95	7.30	7.23p
Corn (\$/bu.)	2.77	2.54	2.28p	2.74	2.34	2.34	2.35	2.31	2.25	2.09p
Sorghum (\$/cwt.)	4.28	4.14	3.37p	4.29	3.59	3.51	3.55	3.44	3.18	2.96p
All hay, baled (\$/ton)	51.90	56.50	63.40	59.60	60.90	62.70	63.90	63.20	68.10	61.30
Soybeans (\$/bu.)	5.47	4.83	8.02p	6.16	6.81	7.06	7.83	9.05	9.21	8.18p
Cotton, Upland (cts./lb.)	35.6	5.55	65.7p	66.9	62.3	63.9	69.8	67.8	67.2	63.2p
Potatoes (\$/cwt.)	3.57	4.83	4.12	4.43	3.40	3.56	3.71	4.10	5.20	4.77
Dry edible beans (\$/cwt.)	18.40	17.60	15.90	16.00	14.10	16.00	14.50	16.60	16.90	17.10
Apples for fresh use (cts./lb.)	12.6	8.5	11.7	7.1	11.1	11.1	12.0	12.1	12.0	12.1
Pears for fresh use (\$/ton)	178	209	134	207	159	145	123	114	113	150
Oranges, all uses (\$/box) <sup>1</sup>	1.71	2.09	1.76	2.24	.82	.86	1.46	2.09	2.45	2.86
Grapefruit, all uses (\$/box) <sup>1</sup>	1.82	1.36	1.23	1.16	1.13	1.85	1.10	1.10	1.23	.95
<b>Livestock</b>										
Beef cattle (\$/cwt.)	31.00	35.30	34.00	36.40	32.30	33.10	33.80	34.90	36.10	34.10
Calves (\$/cwt.)	26.40	35.70	36.40	37.70	33.70	35.60	36.60	38.10	38.50	36.00
Hogs (\$/cwt.)	41.20	47.50	38.80	49.20	38.00	39.30	37.10	36.00	40.70	41.90
Lambs (\$/cwt.)	41.30	51.90	50.80	51.10	48.50	49.50	49.20	51.00	55.50	51.20
All milk, sold to plants (\$/cwt.)	8.21	9.57	9.46p	9.14	9.65	9.54	9.43	9.43	9.34	9.37p
Milk, manuf. grade (\$/cwt.)	7.04	8.51	8.53p	8.32	8.48	8.41	8.46	8.66	8.60	8.55p
Broilers (cts./lb.)	24.5	24.4	23.8	24.3	21.5	24.0	24.3	24.3	24.3	24.7
Eggs (cts./doz.) <sup>2</sup>	50.9	55.6	56.9	53.3	65.1	66.2	58.8	55.3	49.1	46.8
Turkeys (cts./lb.)	31.2	32.2	33.3	31.2	32.4	32.5	34.2	33.6	33.2	33.9
Wool (cts./lb.) <sup>3</sup>	41.6	61.0	74.2	68.1	75.1	73.0	75.6	72.9	75.1	73.7

<sup>1</sup> Equivalent on-tree returns. <sup>2</sup> Average of all eggs sold by farmers, including hatching eggs and eggs sold at retail. <sup>3</sup> Average local market price, excluding incentive payments. p Preliminary. \*Historical data in SRS report *Agricultural Prices, Annual Summary 1976*.



# Wholesale and Retail Prices

## Wholesale Price Index, U.S. average (not seasonally adjusted)

Commodity group	January-June			1976	1977					
	1975	1976*	1977	June*	Jan	Feb	Mar	Apr	May	June
	1967=100									
All commodities	172.1	180.8	192.3	183.2	188.0	190.0	191.9	194.3	195.2	194.4
Industrial commodities	169.2	179.4	192.0	181.5	188.4	189.9	191.6	193.2	194.2	194.6
All foods <sup>1</sup>	183.8	180.8	185.4	180.0	179.2	183.0	184.8	187.0	190.5	188.0
Farm products and processed foods and feeds	180.1	183.7	191.4	187.4	184.8	188.4	190.9	195.9	196.8	191.5
Farm products	179.0	192.0	200.0	196.5	193.5	199.0	202.4	208.1	204.3	192.7
Fruits and vegetables <sup>2</sup>	180.2	183.9	202.3	160.7	198.4	212.6	219.1	205.6	201.8	176.2
Grains	226.1	215.0	177.9	225.1	184.9	185.8	183.4	184.4	171.2	157.7
Livestock	172.9	183.2	169.4	185.1	166.0	166.2	163.5	167.9	180.2	172.3
Poultry, live	176.2	173.2	177.1	174.9	153.7	183.7	177.2	182.3	183.1	182.7
Fibers, plant and animal	141.4	198.8	232.4	235.9	216.5	240.1	252.4	249.5	238.6	197.5
Milk	168.9	200.5	198.2	190.2	200.2	198.4	195.2	197.7	198.3	199.3
Eggs	153.5	169.7	168.1	165.8	189.2	194.8	173.5	165.2	144.4	141.4
Oilseeds	207.6	181.5	278.4	219.7	241.2	244.1	272.5	330.8	300.5	281.1
Processed foods and feeds	180.7	178.6	186.0	181.8	179.3	181.9	183.9	188.5	192.0	190.1
Meats	173.4	181.8	163.4	182.0	153.3	163.4	160.5	159.6	172.1	171.7
Beef and veal	165.7	162.8	151.9	157.9	146.4	149.1	147.1	151.7	162.5	154.8
Pork	189.3	212.9	183.0	220.9	186.3	183.6	178.7	167.7	184.6	197.3
Poultry	172.0	170.2	174.2	172.2	154.8	179.2	174.7	179.9	178.5	178.1
Fish	207.6	267.6	299.8	283.7	305.4	300.2	296.8	306.0	294.9	295.3
Dairy	149.1	167.1	170.6	167.2	166.8	166.9	168.1	173.6	174.2	174.3
Processed fruits and vegetables	170.7	167.3	183.6	168.8	175.4	182.9	184.2	185.6	185.8	187.8
Cereal and bakery products	179.6	174.1	170.8	173.7	168.4	169.9	171.5	171.6	172.0	171.3
Sugar and confectionery	291.0	203.1	179.5	197.4	171.9	177.6	180.2	186.4	184.4	176.3
Beverages	161.7	169.0	198.1	172.8	184.1	189.3	199.5	202.0	206.0	207.7
Vegetable oil and products	227.2	171.2	197.5	170.6	177.9	182.7	187.8	206.3	214.1	216.3
Textile products and apparel	135.6	146.9	152.6	148.3	150.3	151.1	152.1	153.7	154.0	154.4
Apparel	133.1	137.9	146.1	139.8	144.8	145.6	146.0	146.4	146.6	147.2
Hides, leather, and related products	145.2	164.4	178.4	168.1	174.5	176.7	177.6	180.1	181.9	179.7
Footwear	146.3	155.4	166.9	158.7	164.5	165.9	166.7	167.7	168.2	168.6
Lumber and wood products	173.8	199.2	227.2	199.9	222.7	224.2	228.7	229.6	229.3	228.7
Tobacco products	148.2	160.6	175.0	161.9	174.7	174.8	174.8	175.1	175.3	175.3

<sup>1</sup> Includes all processed food (except soft drinks, alcoholic beverages, and manufactured animal feeds) plus eggs and fresh and dried fruits and vegetables from farm products group. <sup>2</sup> Fresh and dried. \*Data have been revised for January-December 1976.

## Consumer Price Index, U.S. average (not seasonally adjusted)

Items	January-June			1976	1977					
	1975	1976	1977	June	Jan	Feb	Mar	Apr	May	June
	1967=100									
Consumer price index, all items	158.3	168.1	178.8	170.1	175.3	177.1	178.2	179.6	180.6	181.8
Consumer price index, less food	154.3	164.7	175.7	167.0	172.9	174.0	175.1	176.3	177.3	178.4
All food	171.9	179.9	189.3	180.9	183.4	187.7	188.6	190.9	191.7	193.6
Food away from home	171.5	183.3	196.4	185.6	192.2	193.6	195.2	197.5	199.3	200.6
Food at home	172.0	179.1	187.6	179.7	181.2	186.2	186.9	189.3	189.8	191.9
Meats <sup>1</sup>	164.7	181.3	171.3	181.6	169.9	171.3	170.8	170.1	171.3	174.4
Beef and veal	161.0	167.0	162.2	166.5	162.1	161.5	160.7	161.2	162.8	164.8
Pork	173.9	205.0	183.3	205.0	180.1	185.1	184.1	181.7	182.0	187.0
Poultry	152.2	159.3	154.8	160.7	144.5	152.9	158.3	157.7	157.6	157.6
Fish	197.8	221.4	244.0	226.3	238.0	241.1	241.5	244.0	248.8	250.8
Eggs	156.4	165.8	174.2	152.6	197.9	207.9	179.5	166.0	152.8	141.0
Dairy products <sup>2</sup>	154.6	168.0	172.1	167.9	171.3	171.1	171.2	171.4	173.1	174.3
Fats and oils <sup>3</sup>	208.5	174.6	184.3	170.4	178.8	179.5	180.7	183.5	188.5	194.7
Fruits and vegetables	168.6	175.4	194.0	176.7	177.6	194.7	196.8	203.0	195.1	196.8
Fresh	162.9	168.9	200.1	173.6	174.9	203.6	205.4	214.3	200.8	202.1
Processed	177.2	185.0	184.8	181.3	181.5	181.6	184.0	186.1	186.7	188.9
Cereals and bakery products	187.1	181.0	181.5	181.3	179.9	180.0	181.3	182.6	182.5	182.8
Sugar and sweets	260.5	221.8	224.0	219.3	212.7	219.2	222.8	226.4	230.1	232.8
Beverages, nonalcoholic	176.4	197.6	302.1	208.7	257.6	273.8	286.4	311.4	334.6	348.7
Apparel commodities less footwear	139.1	142.6	148.4	144.1	146.5	147.4	148.1	148.6	149.7	150.2
Footwear	143.6	147.7	155.5	149.5	153.2	154.4	155.4	156.2	157.0	156.8
Tobacco products	153.0	159.5	166.0	160.2	165.4	165.8	166.0	166.1	166.2	166.4
Beverages, alcoholic	141.2	145.5	149.6	146.8	148.8	148.8	149.3	149.8	150.3	150.7

<sup>1</sup> Beef, veal, lamb, mutton, pork, and processed meat. <sup>2</sup> Includes butter. <sup>3</sup> Excludes butter.

# Farm-Retail Price Spreads

## Farm-retail price spreads

Commodities	January-June			1976p		1977p				
	1975	1976	1977p	June	Jan	Feb	Mar	Apr	May	June
Market basket <sup>1</sup> :										
Retail cost (1967=100) .....	169.5	176.0	177.9	175.9	174.3	178.6	178.3	179.1	178.0	179.3
Farm value (1967=100) .....	178.0	182.8	178.0	181.8	172.6	181.1	178.0	178.9	180.1	177.6
Farm-retail spread (1967=100) .....	164.0	171.7	177.9	172.1	175.4	177.0	178.5	179.1	176.7	180.4
Farmer's share (%) .....	41	40	39	40	38	39	39	39	39	38
Beef, choice:										
Retail price <sup>2</sup> (cts./lb.) .....	138.0	141.8	135.8	140.8	137.5	134.6	133.2	134.0	138.4	137.4
Carcass value <sup>3</sup> (cts.) .....	100.0	91.4	88.1	91.0	87.1	85.6	83.3	88.1	93.4	91.0
Net farm value (cts./2.28 lbs.) .....	88.2	80.4	77.4	80.6	75.1	74.8	73.1	78.6	82.8	79.9
Farm-retail spread (cts.) .....	49.8	61.4	58.4	60.2	62.4	59.8	60.1	55.4	55.6	57.5
Carcass-retail spread <sup>4</sup> (cts.) .....	38.0	50.4	47.7	49.8	50.4	49.0	49.9	45.9	45.0	46.4
Farm-carcass spread <sup>5</sup> (cts.) .....	11.8	11.0	10.7	10.4	12.0	10.8	10.2	9.5	10.6	11.1
Farmer's share (%) .....	64	57	57	57	55	56	55	59	60	58
Pork:										
Retail price <sup>2</sup> (cts./lb.) .....	118.8	140.0	121.2	140.4	119.6	121.1	121.0	118.9	120.9	125.7
Wholesale value <sup>3</sup> (cts.) .....	91.2	100.5	84.9	101.8	85.2	85.0	82.1	80.2	86.8	90.2
Net farm value (cts./1.97 lbs.) .....	74.9	87.5	70.5	91.7	69.8	70.9	65.9	64.5	73.8	78.0
Farm-retail spread (cts.) .....	43.9	52.5	50.7	48.7	49.8	50.2	55.1	54.4	47.1	47.7
Carcass-retail spread <sup>4</sup> (cts.) .....	27.6	39.5	36.3	38.6	34.4	36.1	38.9	38.7	34.1	35.5
Farm-carcass spread <sup>5</sup> (cts.) .....	16.3	13.0	14.4	10.1	15.4	14.1	16.2	15.7	13.0	12.2
Farmer's share (%) .....	63	62	58	65	58	59	54	54	61	62
Milk, fresh:										
Retail price (cts./½ gal.) .....	78.4	82.5	83.6	82.3	83.5	83.6	83.5	83.4	83.5	83.9
Farm value (cts./4.39 lbs. Class I) .....	39.9	46.2	44.7	44.7	45.0	44.9	44.3	44.0	44.4	45.5
Farm-retail spread (cts.) .....	38.5	36.3	38.9	37.6	38.5	38.7	39.2	39.4	39.1	38.4
Farmer's share (%) .....	51	56	53	54	54	54	53	53	53	54
Chicken, frying:										
Retail price (cts./lb.) .....	58.9	61.3	59.5	62.0	54.7	58.8	61.3	61.2	60.7	60.5
Farm value (cts./1.41 lbs. broilers) .....	33.7	34.0	33.0	34.5	27.9	31.9	34.0	33.7	35.4	35.0
Farm-retail spread (cts.) .....	25.2	27.3	26.5	27.5	26.8	26.9	27.3	27.5	25.3	25.5
Farmer's share (%) .....	57	55	55	56	51	54	55	55	58	58
Eggs, large grade A:										
Retail price (cts./doz.) .....	76.3	81.2	86.0	75.2	98.6	103.4	89.0	81.2	75.4	68.7
Farm value (cts./1.03 doz.) .....	49.2	54.2	56.6	47.8	66.8	71.5	56.8	56.3	46.7	41.3
Farm-retail spread (cts.) .....	27.1	27.0	29.4	27.4	31.8	31.9	32.2	24.9	28.7	27.4
Farmer's share (%) .....	64	67	66	64	68	69	64	69	62	60
Bread, white:										
Retail price (cts./lb.) .....	36.8	35.3	35.4	35.6	35.4	35.3	35.2	35.7	35.5	35.3
Farm value (cts./0.867 lb. wheat) .....	4.4	4.3	2.6	4.2	2.7	2.8	2.9	2.7	2.5	2.2
Farm value (cts. for all farm ingredients) .....	6.9	6.2	4.4	6.0	4.4	4.6	4.7	4.6	4.4	4.0
Farm-retail spread (cts.) .....	29.9	29.1	31.0	29.6	31.0	30.7	30.5	31.1	31.1	31.3
Farmer's share (%) .....	19	18	12	17	12	13	13	13	12	11
Lettuce:										
Retail price (cts./head) .....	41.4	41.2	45.3	40.7	46.8	48.4	43.2	46.6	41.4	45.4
Farm value (cts./1.88 lbs.) .....	12.8	14.1	14.0	11.9	20.9	16.2	15.5	10.4	10.3	10.4
Farm-retail spread (cts.) .....	28.6	27.1	31.3	28.8	25.9	32.2	27.7	36.2	31.1	35.0
Farmer's share (%) .....	31	34	31	29	45	33	36	22	25	23
Potatoes:										
Retail price (cts./10 lbs.) .....	112.6	158.7	153.3	177.0	120.9	142.0	144.8	148.2	166.5	197.4
Farm value (cts./10.42 lbs.) .....	37.2	50.3	42.9	46.1	35.4	37.1	38.6	42.7	54.1	49.7
Farm-retail spread (cts.) .....	75.4	108.4	110.4	130.9	85.5	104.9	106.2	105.5	112.4	147.7
Farmer's share (%) .....	33	32	28	26	29	26	27	29	32	25
Tomatoes:										
Retail price (cts./lb.) .....	60.4	58.5	73.5	52.5	62.4	82.6	70.9	90.0	77.3	57.6
Farm value (cts./1.18 lbs.) .....	25.0	23.1	30.4	28.6	26.8	38.2	37.5	31.2	27.0	21.9
Farm-retail spread (cts.) .....	35.4	35.4	43.1	23.9	35.6	44.4	33.4	58.8	50.3	35.7
Farmer's share (%) .....	41	39	41	54	43	46	53	35	35	38
Orange juice, frozen concentrate:										
Retail price (cts./6-oz. can) .....	27.9	29.2	31.6	29.3	28.0	28.8	32.1	33.1	33.9	33.8
Farm value (cts./3.08 lbs.) .....	8.4	10.4	9.6	11.3	10.1	9.3	8.9	9.0	9.7	10.8
Farm-retail spread (cts.) .....	19.5	18.8	22.0	18.0	17.9	19.5	23.2	24.1	24.2	23.0
Farmer's share (%) .....	30	36	30	39	36	32	28	27	29	32
Margarine:										
Retail price (cts./lb.) .....	67.2	53.1	54.5	51.0	53.0	52.9	53.2	53.9	56.1	58.1
Farm value (cts. for veg. oil and NFDM) .....	22.8	14.4	21.9	15.2	17.3	19.6	22.9	24.7	25.3	22.2
Farm-retail spread (cts.) .....	44.4	38.7	32.6	35.8	35.7	33.3	30.3	29.2	30.8	35.9
Farmer's share (%) .....	34	27	40	30	33	37	43	46	45	38

<sup>1</sup> For a market basket of U.S. farm foods representing the average quantities purchased annually per household in 1960-61. Retail prices are from Bureau of Labor Statistics unless otherwise noted. The farm value is the payment to farmers for quantity of farm product equivalent to retail unit, less allowance for byproduct. Farm values are based on prices at first point of sale and may include marketing charges such as grading and packing for some commodities. The farm-retail spread, the difference between the retail price and the farm value, represents charges for assembling, processing, transporting, and distributing these foods. <sup>2</sup> Composite monthly average prices of all cuts adjusted for volume sold at special prices derived from BLS and food chain prices. <sup>3</sup> For a quantity equivalent to 1 lb. retail cuts: Beef, 1.41 lb. of carcass beef (yield grade 3); pork, 1.07 lb. of wholesale cuts. <sup>4</sup> Represents charges for retailing and other marketing services such as fabricating, wholesaling, and in-city transportation. <sup>5</sup> Represents charges made for livestock marketing, processing, and transportation to city where consumed. p Preliminary.

# Farm-retail spreads for selected foods

## Second Quarter

Commodities in retail units	Retail price (cents)			Farm value (cents)			Farm-retail spread (cents)			Farmer's share (percent)		
	1975	1976	1977 <sup>1</sup>	1975	1976	1977 <sup>1</sup>	1975	1976	1977 <sup>1</sup>	1975	1976	1977 <sup>1</sup>
Beef, Choice (lb.)	146.5	141.5	136.6	101.3	83.1	80.4	45.2	58.4	56.2	69	59	59
Lamb, Choice (lb.)	163.9	189.0	183.6	97.8	118.9	108.0	66.1	70.1	75.6	60	63	59
Pork (lb.)	123.1	138.5	121.8	81.5	88.7	72.1	41.6	49.8	49.7	66	64	59
Butter (lb.)	95.5	120.4	132.6	58.0	80.1	85.2	37.5	40.3	47.4	61	67	64
Cheese, American process (½ lb.)	74.0	84.4	85.5	34.1	40.9	41.9	39.9	43.5	43.6	46	48	49
Ice cream (½ gal.)	121.3	126.3	134.0	38.7	45.5	46.4	82.6	80.8	87.6	32	36	35
Milk, evaporated (14½ oz.)	30.4	34.1	35.9	14.4	16.6	17.4	16.0	17.5	18.6	47	49	48
Milk, fresh:												
Sold in stores (½ gal.)	77.7	82.4	83.6	39.8	44.9	44.6	37.9	37.5	39.0	51	54	53
Chicken, frying (lb.)	58.9	60.7	60.8	34.7	32.9	34.7	24.2	27.8	26.1	59	54	57
Turkey (lb.)	70.1	74.3	70.9	39.8	40.6	43.0	30.3	33.7	27.9	57	55	61
Eggs, large Grade A (doz.)	71.6	76.4	75.1	44.6	50.2	48.1	27.0	26.2	27.0	82	66	64
Bread, white:												
All ingredients (lb.)	36.2	35.3	35.5	6.2	6.1	4.3	30.0	29.2	31.2	17	17	12
Wheat (lb.)	—	—	—	4.0	4.2	2.5	—	—	—	11	12	7
Bread, whole wheat (lb.)	57.3	57.5	59.8	5.4	5.4	4.3	51.9	52.1	55.5	9	9	7
Cookies, sandwich (lb.)	95.6	95.8	99.5	13.2	10.5	11.2	82.4	85.3	88.3	14	11	11
Corn flakes (12 oz.)	52.0	51.6	56.3	4.5	4.5	3.8	47.5	47.1	52.5	9	9	7
Flour, white (5 lb.)	101.3	92.9	86.3	32.8	33.3	19.7	68.5	59.6	66.6	32	36	23
Rice, long grain (lb.)	47.4	43.9	39.5	16.1	10.2	10.4	31.3	33.7	29.1	34	23	26
Apples (lb.)	35.7	33.2	41.2	14.7	8.9	12.6	21.0	24.3	28.6	41	27	31
Grapefruit (ea.)	21.9	20.6	22.0	5.5	4.1	3.5	16.4	16.5	18.5	25	20	16
Lemons (lb.)	42.9	44.9	41.8	10.9	9.7	8.1	32.0	35.2	33.7	25	22	19
Oranges (doz.)	111.7	107.1	121.7	24.8	21.3	26.5	86.9	85.8	95.2	22	20	22
Cabbage (lb.)	17.8	16.0	28.3	6.6	4.9	8.4	11.2	11.1	19.9	37	31	30
Carrots (lb.)	29.3	23.5	32.6	11.3	6.9	10.6	18.0	16.6	22.0	39	29	33
Celery (lb.)	25.0	29.2	34.8	7.5	7.7	9.7	17.5	21.5	25.1	30	26	28
Cucumbers (lb.)	42.5	35.3	44.4	15.5	11.0	12.4	27.0	24.3	32.0	36	31	28
Lettuce (head)	39.9	42.1	44.5	10.7	12.9	10.4	29.2	29.2	34.1	27	31	23
Onions (lb.)	25.9	24.5	38.1	11.4	7.7	15.0	14.5	16.8	23.1	44	31	39
Peppers, green (lb.)	62.9	69.0	85.7	24.0	27.0	27.4	38.9	42.0	58.3	38	39	32
Potatoes (10 lb.)	115.8	167.6	170.7	42.1	51.2	48.8	73.7	116.4	121.9	36	31	29
Tomatoes (lb.)	59.6	59.6	75.0	25.3	24.1	26.7	34.3	35.5	48.3	42	40	36
Peaches, canned (no. 2½)	60.5	58.5	61.5	17.3	14.2	13.2	43.2	44.3	48.3	29	24	21
Pears, canned (No. 2½)	75.3	70.9	71.3	21.4	15.3	12.8	53.9	55.6	58.5	28	22	18
Beets, canned (No. 303)	33.2	31.8	34.1	2.4	2.4	2.4	30.8	29.4	31.7	7	8	7
Corn, canned (No. 303)	38.8	35.2	32.9	5.4	5.6	5.6	33.4	29.6	27.3	14	16	17
Peas, canned (No. 303)	39.4	38.1	38.4	6.9	8.0	8.0	32.5	30.1	30.4	18	21	21
Tomatoes, canned (No. 303)	35.2	34.8	37.7	4.9	4.8	4.8	30.3	30.0	32.9	14	14	13
Lemonade, frozen (6-oz. can)	23.8	22.9	22.9	7.0	3.9	2.7	16.8	19.0	20.2	29	17	12
Orange juice, frozen (6-oz. can)	28.0	29.2	33.6	8.1	11.1	9.8	19.9	18.1	23.8	29	38	29
Potatoes, french fried, frozen (9 oz.)	25.4	27.4	27.9	4.6	6.0	4.5	20.8	21.4	23.4	18	22	16
Peas, frozen (10 oz.)	34.5	34.9	37.2	7.0	7.3	7.3	27.5	27.6	29.9	20	21	20
Beans, dried (lb.)	37.2	51.5	40.4	13.9	17.3	17.2	23.3	34.2	23.2	37	34	43
Margarine (lb.)	63.7	51.4	56.0	20.1	14.4	23.9	43.6	37.0	32.1	32	28	43
Peanut butter (12-oz. jar) <sup>2</sup>	68.9	70.1	73.1	23.6	25.8	28.4	45.3	44.3	44.7	34	37	39
Salad and cooking oil (24-oz. bottle)	120.0	94.0	105.3	33.2	23.3	38.7	86.8	70.7	66.6	28	25	37
Vegetable shortening (3 lb.)	194.2	151.7	160.2	70.6	49.4	83.5	123.6	102.3	76.7	36	33	52
Sugar (5 lb.)	182.9	124.8	111.1	75.2	53.2	43.3	107.7	71.6	67.8	41	43	39
Spaghetti, canned (15½-oz. can)	26.6	26.8	27.5	3.9	3.7	3.0	22.7	23.1	24.5	15	14	11

<sup>1</sup> Preliminary. <sup>2</sup> Farm value revised—farm-product equivalent of farmer's stock peanuts changed from 1.35 pounds in 1975 to 1.38 pound in 1976 and 1.42 pounds in 1977.



## Price spreads for beef and pork

Item	Retail price per pound <sup>1</sup>	Carcass value <sup>2</sup>	Gross farm values <sup>3</sup>	Byproduct allowance <sup>4</sup>	Net value <sup>5</sup>	Farm-retail spread			Farmer's share
						Total	Carcass- retail <sup>6</sup>	Farm- carcass <sup>7</sup>	
Beef, Choice grade									
1971	104.3	75.7	72.3	4.5	67.8	36.5	28.6	7.9	65
1972	113.8	80.1	79.8	7.4	72.4	41.4	33.7	7.7	64
1973	135.5	98.1	100.0	10.1	89.9	45.6	37.4	8.2	66
1974	138.8	97.4	93.7	7.6	86.1	52.7	41.4	11.3	62
1975	146.0	105.5	99.9	7.0	92.9	53.1	40.5	12.6	64
1976	138.9	88.6	86.3	8.4	77.9	61.0	50.3	10.7	56
1975									
Jan.-Mar.	129.6	86.6	80.3	5.1	75.2	54.4	43.0	11.4	58
Apr.-June	146.5	113.4	108.4	7.1	101.3	45.2	33.1	12.1	69
July-Sept.	156.4	115.4	108.8	7.9	100.9	55.5	41.0	14.5	65
Oct.-Dec.	151.4	106.5	102.2	7.9	94.3	57.1	44.9	12.2	62
1976									
Jan.-Mar.	142.1	89.8	85.3	7.6	77.7	64.4	52.3	12.1	55
Apr.-June	141.5	93.0	91.9	8.8	83.1	58.4	48.5	9.9	59
July-Sept.	136.1	83.8	82.1	9.0	73.1	63.0	52.3	10.7	54
Oct.-Dec.	136.0	88.0	85.8	8.0	77.8	58.2	48.0	10.2	57
1977									
Jan.-Mar.	135.1	85.3	83.3	9.0	74.3	60.8	49.8	11.0	55
Apr.-June	136.6	90.8	90.1	9.7	80.4	56.2	45.8	10.4	59
Pork									
1971	70.3	52.1	35.1	2.8	32.3	38.0	18.2	19.8	46
1972	83.2	65.3	51.2	3.5	47.7	35.5	17.9	17.6	57
1973	109.8	87.3	78.2	6.7	71.5	38.3	22.5	15.8	65
1974	108.2	77.4	68.0	7.2	60.8	47.4	30.8	16.6	56
1975	135.0	103.8	94.8	7.9	86.9	48.1	31.2	16.9	64
1976	134.3	93.6	84.4	6.0	78.4	55.9	40.7	15.2	58
1975									
Jan.-Mar.	114.4	85.7	75.6	7.3	68.3	46.1	28.7	17.4	60
Apr.-June	123.1	96.7	88.9	7.4	81.5	41.6	26.4	15.2	66
July-Sept.	149.2	118.9	114.0	9.7	104.3	44.9	30.3	14.6	70
Oct.-Dec.	153.4	114.1	100.9	7.3	93.6	59.8	39.3	20.5	61
1976									
Jan.-Mar.	141.5	100.3	92.6	6.2	86.4	55.1	41.2	13.9	61
Apr.-June	138.5	100.6	95.0	6.3	88.7	49.8	37.9	11.9	64
July-Sept.	137.4	93.1	84.5	6.1	78.4	59.0	44.3	14.7	57
Oct.-Dec.	119.8	80.2	65.5	5.0	60.5	59.3	39.6	19.7	50
1977									
Jan.-Mar.	120.6	84.1	75.0	6.1	68.9	51.7	36.5	15.2	57
Apr.-June	121.8	85.7	78.6	6.5	72.1	49.7	36.1	13.6	59

<sup>1</sup> Composite monthly average prices of all cuts adjusted for volume sold at special prices—derived from BLS and food chain prices. <sup>2</sup> For a quantity equivalent to 1 lb. retail cuts: Beef, 1.41 lb. of carcass beef (1975 and later data based on yield grade 3); pork, 1.07 lb. of wholesale cuts. <sup>3</sup> Payment to farmers for quantity of live animal equivalent to 1 retail pound: Beef, 2.28 lb. and pork 1.97 lb. <sup>4</sup> Portion of gross farm value attributed to edible and inedible byproducts. <sup>5</sup> Gross farm value minus byproduct allowance. <sup>6</sup> Includes not only gross margin for retailing but also charges made for other marketing services such as fabricating, wholesaling, and in-city transportation. <sup>7</sup> Includes charges made for livestock marketing, processing, and transportation to city where consumed.

## Food marketing: Spreads, costs, and profit rates

Year	Intermediate goods and services <sup>1</sup>					Interest rate <sup>3</sup>	Profit rates after taxes			
	Farm-retail price spread	Total	Containers packaging	Fuel, power, and light	Hourly earnings <sup>2</sup>		Food retailers <sup>4</sup>		Food manufacturers <sup>5</sup>	
							Sales	Equity	Sales	Equity
1967=100					Dollars	Percent				
1970	113.4	113	108	108	3.03	8.48	—	—	2.5	10.8
1971	116.5	120	113	120	3.24	6.32	—	—	2.6	11.0
1972	118.9	126	117	126	3.45	5.82	—	—	2.6	11.2
1973	126.5	134	123	138	3.66	8.30	—	—	2.6	12.8
1974	151.5	159	151	202	3.99	11.28	—	—	2.9	13.9
1975	165.1	180	174	237	4.40	8.65	0.5	6.8	3.2	14.4
1976 <sup>6</sup>	173.2	193	184	258	4.77	7.52	.8	10.0	3.4	14.9
1974										
I	142.2	148	131	175	3.85	9.91	—	—	2.7	12.4
II	154.6	165	145	200	3.94	11.15	—	—	2.7	12.8
III	152.5	166	161	212	4.04	12.40	.9	11.7	3.2	15.4
IV	156.7	170	169	220	4.14	11.64	1.0	12.1	3.0	14.7
1975										
I	166.1	176	173	231	4.28	9.94	.4	5.5	2.4	10.7
II	161.9	178	174	237	4.34	8.16	.8	10.5	3.3	15.0
III	163.4	181	174	238	4.43	8.22	.8	9.9	3.7	17.2
IV	168.8	184	176	241	4.55	8.29	.9	11.3	3.2	14.0
1976 <sup>6</sup>										
I	172.5	186	179	243	4.65	7.54	.6	7.2	3.1	13.3
II	170.4	191	185	252	4.74	7.44	.9	11.6	3.7	16.3
III	174.1	194	185	260	4.81	7.80	.7	8.9	3.9	16.8
IV	176.0	199	187	278	4.90	7.48	.8	10.7	3.1	13.1
1977 <sup>6</sup>										
I	177.1	202	189	301	5.04	—	.8	10.6	2.7	11.4
II	178.8	207	195	306	5.13	—	—	—	—	—

<sup>1</sup>Represents all goods purchased by food marketing firms except raw materials and plant and equipment, and all services except those performed by employees, calculated from wholesale price relatives. <sup>2</sup>Weighted composite of production employees in food manufacturing and nonsupervisory employees in wholesale and retail trade, calculated from data of the U.S. Department of Labor. <sup>3</sup>Bank rates on short-term business loans in 35 centers, Department of Commerce. <sup>4</sup>Federal Trade Commission. The data are based on reports from all food retailing corporations having more than \$100 million in annual sales, and whose activities are at least 75 percent specialized in supermarket operations. Comparable data not available prior to third quarter 1974. <sup>5</sup>"Quarterly Financial Report," Federal Trade Commission. Data represent national aggregate estimates for corporations based upon a sample of company reports. Data since the fourth quarter of 1973 are imperfectly comparable with prior data because of changes in accounting methods. <sup>6</sup>Preliminary.

## American Journal of Agricultural Economics

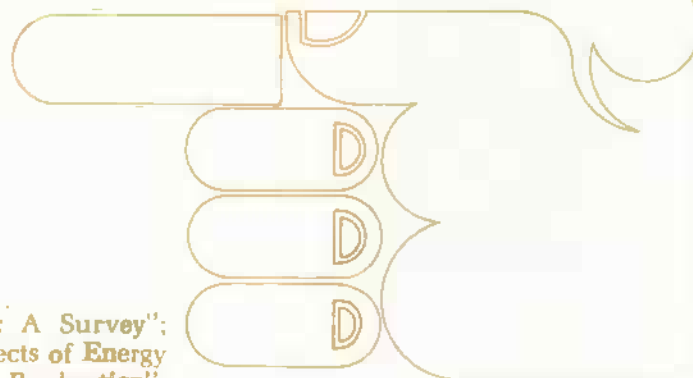
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Articles: T. Dudley Wallace, "Pretest Estimation in Regression: A Survey"; Richard M. Adams, Gordon A. King, and Warren E. Johnston, "Effects of Energy Cost Increases and Regional Allocation Policies on Agricultural Production"; James D. Libbin and Michael D. Boehlje, "Interregional Structure of the U.S. Coal Economy"; Andrew McGregor, "Rent Extraction and the Survival of the Agricultural Production Cooperative"; Duane G. Harris, "Inflation-Indexed Price Supports and Land Values"; and Larry Salathe, William D. Dobson, and Gustof Peterson, "Analysis of the Impact of Alternative U.S. Dairy Import Policies." Plus more Articles, Notes, Book Reviews, News.

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Market basket of farm foods<sup>1</sup>

Product group	Annual			1976 <sup>2</sup>			1977 <sup>3</sup>	
	1974	1975	1976 <sup>2</sup>	II	III	IV	I <sup>3</sup>	II
Dollars								
<b>Retail cost</b>								
Meat .....	532.67	582.68	583.96	588.46	590.74	553.46	558.03	560.69
Dairy .....	296.33	302.65	331.49	327.92	330.89	337.46	335.80	338.85
Poultry .....	68.32	75.42	72.51	73.73	73.83	67.68	71.08	73.80
Eggs .....	56.90	55.24	61.03	55.46	62.43	66.71	70.80	54.75
Bakery and cereal .....	277.30	304.29	299.32	299.84	298.66	299.18	300.30	304.82
Fresh fruits .....	73.15	74.82	75.51	74.06	80.23	79.33	80.36	87.06
Fresh vegetables .....	118.84	114.07	120.87	125.46	117.70	118.80	141.76	149.10
Proc. fruits and veg. ....	165.99	187.40	189.54	188.98	188.33	190.60	192.51	196.46
Fats and oils .....	75.74	81.39	69.52	68.38	67.67	70.30	71.31	74.45
Miscellaneous .....	84.32	98.12	91.69	92.42	91.81	91.39	91.50	92.21
<b>Total .....</b>	<b>1,749.56</b>	<b>1,876.08</b>	<b>1,895.44</b>	<b>1,894.72</b>	<b>1,902.29</b>	<b>1,874.91</b>	<b>1,913.45</b>	<b>1,932.19</b>
<b>Farm value</b>								
Meat .....	299.16	347.51	314.56	339.06	308.67	280.43	296.03	314.10
Dairy .....	145.81	149.50	169.93	167.11	172.85	168.77	166.67	169.88
Poultry .....	38.24	44.21	39.82	40.03	41.26	34.83	38.57	42.36
Eggs .....	38.65	36.46	42.08	36.48	43.30	46.52	47.46	35.07
Bakery and cereal:								
All ingredients .....	69.15	56.60	46.07	49.61	45.25	38.93	39.92	38.88
Grain .....	48.76	39.30	32.67	36.05	31.83	26.02	25.93	23.56
Fresh fruits .....	21.79	22.80	21.43	19.56	23.93	23.87	22.66	23.29
Fresh vegetables .....	39.79	39.58	40.22	39.64	36.84	41.23	55.76	45.15
Proc. fruits and veg. ....	35.37	40.04	38.84	37.67	38.41	39.04	35.69	36.37
Fats and oils .....	35.49	27.76	22.46	20.00	25.36	24.87	27.03	31.81
Miscellaneous .....	22.87	19.64	13.93	14.94	13.17	12.03	12.52	12.71
<b>Total .....</b>	<b>747.32</b>	<b>784.10</b>	<b>749.34</b>	<b>764.10</b>	<b>749.04</b>	<b>710.52</b>	<b>742.31</b>	<b>749.62</b>
<b>Farm-retail spread</b>								
Meat .....	233.51	235.17	269.40	249.40	282.07	273.03	262.00	246.59
Dairy .....	150.52	153.15	161.56	160.81	158.04	168.69	169.13	168.97
Poultry .....	30.08	31.21	32.69	33.70	32.57	32.85	32.51	31.44
Eggs .....	18.25	18.78	18.95	18.98	19.13	20.19	23.34	19.68
Bakery and cereal:								
All ingredients .....	208.15	247.69	253.25	250.23	253.41	260.25	260.38	265.94
Grain .....	51.36	52.02	54.08	54.50	56.30	55.46	57.70	63.77
Fresh fruits .....	79.05	74.49	80.65	85.82	80.86	77.57	86.00	103.95
Fresh vegetables .....	129.62	147.36	150.70	151.31	149.92	151.56	156.82	160.09
Proc. fruits and veg. ....	40.25	53.63	47.06	48.38	42.31	45.43	44.28	42.64
Fats and oils .....	61.45	78.48	77.76	77.48	78.64	79.36	48.98	79.50
<b>Total .....</b>	<b>1,002.24</b>	<b>1,091.98</b>	<b>1,146.10</b>	<b>1,130.62</b>	<b>1,153.25</b>	<b>1,164.39</b>	<b>1,171.14</b>	<b>1,182.57</b>
Percent								
<b>Farmer's share</b>								
Meat .....	56	60	54	58	52	51	53	56
Dairy .....	49	49	51	51	52	50	50	50
Poultry .....	56	59	55	54	56	51	54	57
Eggs .....	68	66	69	66	69	70	67	64
Bakery and cereal:								
All ingredients .....	25	19	15	17	15	13	13	13
Grain .....	18	13	11	12	11	9	9	8
Fresh fruits .....	30	30	28	26	30	30	28	27
Fresh vegetables .....	33	34	33	32	31	35	39	30
Proc. fruits and veg. ....	22	21	20	20	20	20	19	19
Fats and oils .....	47	34	32	29	37	35	38	43
Miscellaneous .....	27	20	15	16	14	13	14	14
<b>Average .....</b>	<b>43</b>	<b>42</b>	<b>40</b>	<b>40</b>	<b>39</b>	<b>38</b>	<b>39</b>	<b>39</b>

<sup>1</sup> Annual rate. See footnote 1 on monthly farm-retail price spread table (page 23) for description of data. <sup>2</sup> Preliminary. <sup>3</sup> Revised.



# Livestock and Products: Prices, Supplies, and Use

## Livestock and products output and prices

Output	1975	1976					1977				
	Annual	I	II	III	IV	Annual	I	II	III <sup>1</sup>	IV <sup>1</sup>	Annual <sup>1</sup>
Beef (mil. lb.)	23,673	6,492	6,145	6,618	6,412	25,667	6,329	6,180	6,250	6,150	24,910
Change (pct.) <sup>2</sup>	+4	+11	+10	+11	+2	+8	-2	+1	-6	-4	-3
Pork (mil. lb.)	11,314	2,896	2,782	2,951	3,590	12,219	3,276	3,150	3,000	3,500	12,930
Change (pct.) <sup>2</sup>	-17	-5	-5	+18	+27	+8	+13	+13	+2	-3	+6
Veal (mil. lb.)	827	206	178	205	224	813	211	185	185	175	760
Change (pct.) <sup>2</sup>	+87	+24	-2	-12	-9	-2	+2	+4	-10	-22	-7
Lamb and mutton (mil. lb.)	399	95	82	92	92	361	90	85	89	85	350
Change (pct.) <sup>2</sup>	-12	-6	-15	-12	-6	-10	-5	+5	-4	-8	-3
Red meats (mil. lb.)	36,213	9,689	9,187	9,866	10,318	39,060	9,906	9,600	9,524	9,910	38,950
Change (pct.) <sup>2</sup>	-3	+6	+4	+12	+9	+8	+2	+4	-3	-4	0
Broilers (mil. lb.)	7,966	2,116	2,314	2,372	2,186	8,988	2,156	2,400	2,470	2,300	9,330
Change (pct.) <sup>2</sup>	+1	+15	+12	+14	+10	+13	+2	+4	+4	+5	+4
Turkeys (mil. lb.)	1,715	207	369	710	664	1,950	210	365	690	665	1,930
Change (pct.) <sup>2</sup>	-7	+24	+28	+14	+5	+14	+1	-1	-3	0	-1
Total meats (mil. lb.)	45,894	12,012	11,870	12,948	13,168	49,998	12,272	12,365	12,684	12,875	50,210
Change (pct.) <sup>2</sup>	-4	+8	+7	+13	+9	+9	+2	+4	-2	-2	0
Eggs (mil. doz.)	5,362	1,358	1,344	1,342	1,360	5,404	1,330	1,338	1,330	1,360	5,360
Change (pct.) <sup>2</sup>	-2	+1	+1	0	0	+1	-2	0	-1	0	-1
Milk (bil. lb.)	115.3	29.2	32.4	30.2	28.6	120.4	29.8	33.1	30.6	29.1	122.6
Change (pct.) <sup>2</sup>	0	+4	+4	+6	+4	+4	+2	+2	+1	+2	+2
Total livestock and products (1974=100)	98.7	101.8	104.4	107.9	107.0	105.3	103.3	107.4	106.7	106.0	105.8
Change (pct.) <sup>2</sup>	-1.3	+6.3	+5.2	+9.1	+6.2	+6.7	+1.5	+2.9	-1.1	-0.9	+0.5
Prices											
Choice steers, Omaha (\$ per cwt.)	44.61	38.71	41.42	37.30	39.00	39.11	37.88	40.77	40.42	41.43	—
Barrows and gilts, 7-markets (\$ per cwt.)	48.32	47.99	49.19	43.88	34.25	43.11	39.08	40.87	43.45	38.40	—
Slaughter lambs, choice, San Angelo (\$ per cwt.)	44.45	51.50	58.63	43.54	45.81	49.87	52.98	55.76	47.49	48.50	—
Broilers, 9-city wholesale (cts. per lb.) <sup>3</sup>	45.1	42.2	41.7	41.5	35.5	40.2	40.9	42.3	43.45	40.42	—
Turkeys, N.Y., wholesale (cts. per lb.) <sup>4</sup>	53.2	49.3	48.2	48.5	49.0	48.8	50.2	51.5	50.52	52.54	—
Eggs, cartonized, Grade A large, N.Y. (cts. per doz.)	63.9	68.0	63.1	71.8	78.4	70.3	74.9	57.8	66.68	73.75	—
Milk, all at farm, (\$ per cwt.)	8.75	9.87	9.26	9.66	9.86	9.66	9.54	9.38	9.70-9.80	10.25-10.45	—
Livestock prices received by farmers (1967=100)	172	180	185	175	155	177	172	176	182	184	—

<sup>1</sup> Forecast. <sup>2</sup> Change from year-earlier. <sup>3</sup> Weighted average. <sup>4</sup> 8-16 pound young hens.

# Dairy:

Items	Annual			1976	1977					
	1974	1975	1976	June	Jan	Feb	Mar	Apr	May	June
<b>Milk production:</b>										
Total milk (mil. lb.)	115,563	115,326	120,356	10,816	9,910	9,351	10,562	10,741	10,295	11,103
Milk per cow (lb.)	10,300	10,352	10,893	979	899	849	960	977	1,029	1,013
Number of milk cows (thou.)	11,219	11,140	11,049	11,044	11,023	11,013	11,003	10,989	10,978	10,963
<b>Milk prices, Minnesota-Wisconsin,</b>										
3.5% fat (\$/cwt.) <sup>1</sup>	7.06	7.62	8.48	8.32	8.19	8.16	8.31	8.60	8.62	8.60
Price of 16% dairy ration (\$/ton)	138	134	141	143	147	151	148	148	152	149
Milk-feed price ratio (lb.) <sup>2</sup>	1.34	1.40	1.53	1.43	1.50	1.48	1.47	1.46	1.43	1.49
<b>Stocks, beginning</b>										
Total milk equiv. (mil. lb.) <sup>3</sup>	5,207	5,886	3,844	5,860	5,708	6,207	6,588	7,006	7,725	8,977
Commercial (mil. lb.)	4,732	5,576	3,719	5,767	5,299	5,388	5,403	5,529	5,976	6,541
Government (mil. lb.)	476	310	124	93	410	819	1,185	1,478	1,749	2,437
Imports, total milk equiv. (mil. lb.) <sup>3</sup>	2,923	1,669	1,938	142	251	114	116	115	103	—
<b>USDA net removals:</b>										
Total milk equiv. (mil. lb.) <sup>3</sup>	1,346	2,036	1,236	33.0	846.3	882.7	416.8	601.6	1,043.2	954.1
<b>Butter:</b>										
Production (mil. lb.)	961.7	983.8	978.6	83.9	105.6	96.2	98.4	100.4	103.9	—
Stocks, beginning (mil. lb.)	46.4	49.2	10.9	69.5	47.1	67.6	94.3	106.4	128.6	164.0
Wholesale price, Grade A Chicago (cts./lb.)	65.7	79.4	92.0	95.0	90.8	90.8	92.7	100.1	100.7	100.7
USDA net removals (mil. lb.)	32.7	63.4	39.4	—	32.4	31.5	11.6	25.9	43.7	35.1
Commercial disappearance (mil. lb.)	929.9	951.0	919.0	72.8	72.0	53.8	83.7	65.3	55.2	—
<b>American cheese:</b>										
Production (mil. lb.)	1,858.6	1,654.6	2,062.4	209.7	166.8	158.8	183.4	193.8	211.9	—
Stocks, beginning (mil. lb.)	290.3	420.9	307.8	376.0	411.4	417.1	403.5	422.5	447.5	491.5
Wholesale price, Wisconsin assembly pt. (cts./lb.)	79.9	86.6	96.3	95.5	92.6	92.6	93.8	97.9	97.9	97.4
USDA net removals (mil. lb.)	60.3	68.2	38.0	3.1	17.8	23.3	17.8	6.6	14.0	23.2
Commercial disappearance (mil. lb.)	1,780.6	1,717.1	1,934.5	163.9	149.8	154.0	157.6	162.9	159.1	—
<b>Other cheese:</b>										
Production (mil. lb.)	1,078.8	1,156.8	1,274.1	115.7	98.0	95.2	115.8	108.1	114.6	—
Stocks, beginning (mil. lb.)	67.5	73.1	60.8	64.9	67.1	68.7	67.1	64.5	64.0	67.0
Commercial disappearance (mil. lb.)	1,276.5	1,331.9	1,460.7	125.2	112.0	106.7	130.8	119.8	123.2	—
<b>Nonfat dry milk:</b>										
Production (mil. lb.)	1,019.9	1,001.5	926.2	108.1	71.5	72.3	87.5	107.1	119.6	—
Stocks, beginning (mil. lb.)	74.6	293.2	468.9	463.8	480.6	461.6	469.5	465.4	520.9	538.8
Wholesale price, avg. manf. (cts./lb.)	58.6	63.3	63.5	62.8	62.4	62.3	62.8	65.3	67.7	—
USDA net removals (mil. lb.)	265.0	394.5	157.1	22.5	24.8	21.3	2.4	37.3	62.8	78.2
Commercial disappearance (mil. lb.)	809.9	697.0	724.0	60.3	53.0	54.0	91.2	42.6	43.6	—
<b>Frozen dessert production (mil. gal.)<sup>4</sup></b>	1,128.0	1,183.9	1,152.7	122.0	69.9	75.7	101.1	98.0	104.3	—

<sup>1</sup> Manufacturing grade milk. <sup>2</sup> Pounds of ration equal in value to 1 lb. of milk. <sup>3</sup> Milk equivalent, fat-solids basis. <sup>4</sup> Ice cream, ice milk, and sherbet.

# Poultry and eggs:

Items	Annual			1976	1977					
	1974	1975	1976	June	Jan	Feb	Mar	Apr	May	June
<b>Eggs</b>										
Farm production (mil.)	65,927	64,379	64,849	5,296	5,470	4,936	5,551	5,363	5,477	5,211
Average number of layers on farms (mil.)	286	277	276	270	280	277	275	272	269	267
Rate of lay (eggs per layer)	231	233	235	19.6	19.6	17.8	20.2	19.7	20.4	19.5
Cartoned price, New York, grade A large (cts./doz.) <sup>1</sup>	64.5	63.9	70.3	63.6	81.0	76.2	67.4	61.4	55.1	57.0
Price of laying feed (\$/ton)	153.8	147.2	151.2	156	156	161	161	163	166	162
Egg-feed price ratio (lb.) <sup>2</sup>	7.0	7.0	7.8	6.8	8.3	8.2	7.3	6.8	5.9	5.8
<b>Stocks, beginning of period:</b>										
Shell (thou. cases)	34	36	22	22	28	29	44	42	42	33
Frozen (mil. lb.)	43.2	54.2	36.3	28.9	26.1	26.9	24.9	24.7	25.4	28.0
Replacement chicks hatched (mil.)	473.4	453.8	492.2	42.4	40.2	41.3	51.0	54.8	52.5	44.4
<b>Broilers</b>										
Federally inspected slaughter, certified (mil. lb.)	7,917	7,966	8,987	825.9	713.8	659.2	783.2	744.9	—	—
Wholesale price, 9-city, (cts./lb.)	38.2	45.1	40.2	42.1	38.8	42.1	41.9	41.4	42.2	43.3
Price of broiler grower feed (\$/ton)	168.6	163.4	168.3	172	174	178	179	183	187	184
Broiler-feed price ratio (lb.) <sup>2</sup>	2.6	3.2	2.8	2.8	2.5	2.7	2.7	2.7	2.6	2.7
Stocks, beginning of period (mil. lb.)	33.4	37.2	22.3	17.4	32.9	27.4	24.6	26.6	24.8	27.3
Average weekly placements of broiler chicks, 21 States (mil.)	56.5	57.7	63.6	68.8	63.6	64.8	69.5	71.7	71.9	71.4
<b>Turkeys</b>										
Federally inspected slaughter, certified (mil. lb.)	1,835.8	1,716.1	1,950.1	182.2	70.5	58.7	80.3	78.9	110.0	—
Wholesale price, New York, 8-16 lb. young hens (cts./lb.)	47.2	53.2	48.7	47.6	48.7	49.7	52.3	53.6	50.8	50.0
Price of turkey grower feed (\$/ton)	172.7	166.8	173.5	178	182	186	188	195	200	196
Turkey-feed price ratio (lb.) <sup>2</sup>	3.2	4.2	3.7	3.5	3.6	3.5	3.6	3.4	3.3	3.5
Stocks, beginning of period (mil. lb.)	281.0	275.0	195.2	120.8	203.4	190.2	167.8	142.3	130.3	136.3
Poults hatched (mil.)	140.0	137.1	149.5	19.7	10.8	12.7	18.1	19.5	21.0	18.9

<sup>1</sup> Price of cartoned eggs to volume buyers for delivery to retailers; wholesale price series discontinued June 1. <sup>2</sup> Pounds of feed equal in value to 1 dozen eggs of 1 lb. of broiler or turkey liveweight.

## Meat animals:

Items	Annual			1977						
	1974	1975	1976	June	Jan	Feb	Mar	Apr	May	June
<b>Cattle on feed (7-States)</b>										
Number on feed (thou. head) <sup>1</sup>	9,353	6,369	8,537	7,269	8,213	7,873	7,556	7,280	7,196	7,053
Placed on feed (thou. head) <sup>2</sup>	15,861	18,095	18,975	1,388	1,369	1,362	1,526	1,658	1,599	1,448
Marketings (thou. head)	17,380	14,988	18,177	1,468	1,602	1,567	1,690	1,564	1,489	1,548
Other disappearance (thou. head)	1,465	939	1,133	110	107	112	112	178	253	101
Beef steer-corn price ratio, Omaha (bu.) <sup>3</sup>	13.7	15.8	15.2	17.6	16.1	16.0	15.9	17.5	19.0	19.2
Hog-corn price ratio, Omaha (bu.) <sup>3</sup>	11.3	16.9	16.5	14.2	16.4	16.8	15.9	16.0	18.8	20.7
<b>Commercial slaughter (thou. head)</b>										
Cattle	36,812	40,911	42,654	3,578	3,546	3,299	3,616	3,272	3,299	—
Steers	19,680	17,819	18,879	1,671	1,539	1,488	1,711	1,603	1,607	—
Heifers	8,798	10,438	12,158	987	1,021	934	1,023	920	910	—
Cows	7,514	11,557	10,619	827	919	808	806	677	706	—
Bulls and stags	820	1,098	998	93	67	69	76	72	76	—
Calves	2,987	5,209	5,350	409	478	443	519	445	419	—
Sheep and lambs	8,847	7,835	6,714	523	514	474	595	562	492	—
Hogs	81,762	68,687	73,784	5,400	6,117	6,096	7,545	6,658	6,134	—
<b>Commercial production (mil. lb.)</b>										
Beef	22,844	23,673	25,667	2,161	2,160	1,981	2,188	1,990	1,991	—
Veal	442	827	813	63	77	63	71	59	61	—
Lamb and mutton	454	399	361	27	29	27	34	31	25	—
Pork	13,583	11,314	12,219	899	1,007	1,013	1,256	1,120	1,044	—
<b>Market prices</b>										
<b>Slaughter cattle:</b>										
Choice steers, Omaha	41.89	44.61	39.11	40.52	38.38	37.98	37.28	40.08	41.98	40.24
Utility cows, Omaha	25.56	21.09	25.31	27.47	22.95	23.88	26.67	27.63	26.57	25.64
Choice vealers, S. St. Paul	49.63	40.44	45.18	37.60	53.12	54.88	56.26	52.88	54.92	51.60
<b>Feeder cattle:</b>										
Choice, Kansas City, 600-700 lb.	37.88	33.91	39.40	42.83	36.49	37.86	38.95	41.81	41.72	39.90
<b>Slaughter hogs:</b>										
Barrows and gilts, No. 1&2, Omaha <sup>4</sup>	36.85	50.12	44.70	51.91	40.45	41.08	38.11	37.64	42.60	45.07
Barrows and gilts, 7-markets	35.12	48.32	43.11	50.80	39.52	40.18	37.53	36.97	41.79	43.86
<b>Feeder pigs:</b>										
S. Mo. 40-50 lb. (per head)	25.13	44.80	36.24	38.85	23.84	33.24	38.58	41.49	40.91	35.18
<b>Slaughter sheep and lambs:</b>										
Lambs, Choice, San Angelo	40.51	44.45	49.87	50.81	52.00	51.25	55.70	59.62	55.56	52.10
Ewes, Good, San Angelo	15.74	15.34	17.69	17.56	20.75	19.25	22.15	18.19	16.62	16.00
<b>Feeder lambs:</b>										
Choice, San Angelo	36.52	41.40	51.28	48.56	53.56	54.81	56.25	59.19	51.38	46.15
<b>Wholesale meat prices, Midwest<sup>5</sup></b>										
Choice steer beef, 600-700 lb.	67.76	72.55	60.99	62.45	60.04	58.92	57.12	60.54	64.44	62.62
Canner and Cutter cow beef	53.48	42.90	52.00	54.88	49.66	51.09	56.05	56.42	53.31	52.42
Pork loins, 8-14 lb.	73.60	92.69	86.45	97.88	85.32	80.66	72.36	73.42	83.14	87.94
Pork bellies, 12-14 lb.	52.04	78.52	65.27	79.16	51.62	52.08	48.91	55.23	57.10	58.51
Hams, skinned, 14-17 lb.	64.11	84.06	79.79	81.76	69.15	72.82	75.13	63.70	70.39	72.10

Items	Annual			1976				1977		
	1974	1975	1976	I	II	III	IV	I	II	III
<b>Cattle on feed (23-States):</b>										
Number on feed (thou. head) <sup>1</sup>	13,067	9,619	12,327	12,327	10,895	10,053	9,280	11,945	10,618	9,750
Placed on feed (thou. head) <sup>2</sup>	22,046	24,691	25,499	5,427	5,615	5,702	8,767	5,597	6,015	—
Marketings (thou. head)	23,330	20,504	24,175	6,346	5,939	6,201	5,689	6,442	6,169	<sup>3</sup> 6,048
Other disappearance (thou. head)	2,164	1,479	1,718	513	518	274	413	482	714	—
<b>Hogs and pigs (14-States):<sup>4</sup></b>										
Inventory (thou. head) <sup>1</sup>	52,825	47,170	41,855	41,855	40,865	46,085	48,785	47,020	44,000	46,140
Breeding (thou. head) <sup>1</sup>	7,445	6,283	6,368	6,368	6,706	7,049	6,813	6,774	7,001	7,235
Market (thou. head) <sup>1</sup>	45,380	40,887	35,487	35,487	34,159	39,036	41,972	40,246	36,999	38,905
Farrowings (thou. head)	10,207	8,397	10,002	2,049	2,910	2,523	2,520	2,319	2,863	<sup>2</sup> 2,649
Pig crop (thou. head)	71,958	60,211	72,399	14,566	21,478	18,416	17,939	15,723	21,357	—

<sup>1</sup> Beginning of period. <sup>2</sup> Other disappearance excluded in 1973: not comparable with 1974 and 1975. <sup>3</sup> Bushels of corn equal in value to 100 pounds liveweight. <sup>4</sup> 220-240 lb. <sup>5</sup> Prior to Oct. 1975, Chicago; annual 1975 midwest markets. <sup>6</sup> Annual is Dec. preceding year to Nov. listed; quarters are Dec. preceding year-Feb. (I), Mar-May (II), June-Aug (III), and Sept-Nov (IV). <sup>7</sup> Intentions.

## Wool:

Items	Annual			1977						
	1974	1975	1976	June	Jan	Feb	Mar	Apr	May	June
U.S. wool price, Boston <sup>1</sup> (cts./lb.)	176	150	182	178	188	188	182	182	179	182
Imported wool price, Boston <sup>2</sup> (cts./lb.)	213	176	214	212	224	222	226	227	225	224
U.S. mill consumption, scoured										
Apparel wool (thou. lb.)	74,856	94,117	106,629	11,064	8,221	8,253	10,008	7,925	7,795	n.a.
Carpet wool (thou. lb.)	18,595	15,908	15,117	1,412	1,212	1,051	1,491	924	1,077	n.a.

<sup>1</sup> Wool price delivered at U.S. mills, clean basis, Graded Territory 64's (20.60-22.04 microns) staple 2½" and up. Prior to January 1976 reported as: Territory fine, good French combing and staple. <sup>2</sup> Wool price delivered at U.S. mills, clean basis, Australian 64's, type 78, including duty (25.5 cents). Prior to January 1976 reported as: Australian 64's combing, excluding duty. <sup>3</sup> No quotations reported. n.a. not available.



# Crops and Products: Prices, Supplies, and Use

## Supply and utilization of major crops<sup>1</sup>

Commodity	Domestic measure <sup>2</sup>				Metric measure <sup>2</sup>			
	1975/76	1976/77 estimated	1977/78		1975/76	1976/77 estimated	1977/78	
			Projected	Probable variability*			Projected	Probable variability*
Wheat:								
Mil. acres								
Area								
Planted	75.1	80.2	74.4	—	30.4	32.5	30.1	—
Harvested	69.6	70.8	66.5	—	28.2	28.7	26.9	—
Bu. per acre								
Yield per harvested unit	30.7	30.3	30.7	—	2.1	2.0	2.1	—
Mil. bu.								
Beginning stocks	435	664	1,109	—	11.8	18.1	30.2	—
Production	2,135	2,147	2,044	+75 to -75	58.1	58.4	55.6	+2.0 to -2.0
Imports	2	3	2	—	.1	.1	.1	—
Supply, total	2,572	2,814	3,155	—	70.0	76.6	85.9	—
Domestic	735	755	878	+65 to -65	20.0	20.6	23.9	+1.8 to -1.8
Exports	1,173	950	1,000	+100 to -100	31.9	25.8	27.2	+2.7 to -2.7
Use, total	1,908	1,705	1,878	+150 to -150	51.9	46.4	51.1	+4.1 to -4.1
Ending stocks	664	1,109	1,277	+200 to -200	18.1	30.2	34.8	+5.4 to -5.4
Dol. per bu.								
Price received by farmers	3.55	\$2.85	2.20-2.40	—	130.44	\$104.72	81-88	—
Price, Kansas City, No. 1 HRW	3.74	2.88	2.31	—	137.42	105.82	84.88	—
Rice:								
Mil. acres								
Area								
Allotment	1.80	1.80	1.80	—	.73	.73	.73	—
Planted	2.82	2.51	2.21	—	1.14	1.02	.90	—
Harvested	2.80	2.50	2.20	—	1.13	1.01	.89	—
Lb. per acre								
Yield per harvested unit	4,567	4,679	4,740	—	5.12	5.24	5.33	—
Mil. cwt.								
Beginning stocks	7.1	36.9	45.3	+6 to -6	.32	1.67	2.05	—
Production	128.0	117.0	104.4	—	5.80	5.31	4.74	+2.27 to -2.27
Imports	—	—	—	—	—	—	—	—
Supply, total	135.1	153.9	149.7	—	6.12	6.98	6.79	—
Domestic	40.2	42.8	44.1	+2 to -2	1.82	1.94	2.00	+0.09 to -0.09
Exports	56.5	65.8	64.7	+5 to -5	2.56	2.99	2.93	+2.23 to -2.23
Use, total	96.7	108.6	108.8	+5 to -5	4.39	4.93	4.93	+2.23 to -2.23
Ending stocks	36.9	45.3	40.9	+7 to -7	1.67	2.05	1.86	+3.32 to -3.32
Difference unaccounted	+1.5	—	—	—	+0.06	—	—	—
Dol. per cwt.								
Price received by farmers	8.34	\$6.70	7.00-7.50	—	183.86	\$147.71	154-165	—
Price, long-grain milled, S.W. La.	17.20	\$14.45	—	—	379.19	\$318.56	—	—
Feed grains: <sup>3</sup>								
Mil. acres								
Area								
Planted	123.4	129.5	129.0	—	49.9	52.3	52.2	—
Harvested	105.1	106.8	108.8	—	42.5	43.2	44.0	—
Tons per acre								
Yield per harvested unit	1.93	1.99	2.01	—	4.34	4.46	4.50	—
Mil. short tons								
Beginning stocks	16.8	19.1	34.2	—	15.2	17.2	31.0	—
Production	203.3	212.4	218.2	+16 to -16	184.4	192.7	197.9	+14.5 to -14.5
Imports	.5	.3	.3	—	.5	.3	.3	—
Supply, total	220.6	231.8	252.7	—	200.1	210.2	229.2	—
Feed	127.6	123.3	131.2	+8 to -8	115.8	111.8	119.0	+7.3 to -7.3
Food, seed, and industrial uses	18.8	19.7	20.2	—	17.1	18.0	18.3	—
Domestic, total	146.4	143.0	151.4	+8 to -8	132.9	129.7	137.3	+7.3 to -7.3
Exports	55.1	54.6	48.0	+4 to -4	50.0	49.5	43.5	+3.6 to -3.6
Use, total	201.5	197.6	199.4	+10 to -10	182.9	179.2	180.8	+9.1 to -9.1
Ending stocks	19.1	34.2	53.3	+8 to -8	17.2	31.0	48.4	+7.3 to -7.3

See footnotes at end of table.

Supply and utilization of major crops<sup>1</sup> —Continued

Commodity	Domestic measure <sup>2</sup>				Metric measure <sup>2</sup>			
	1975/76	1976/77 estimated	1977/78		1975/76	1976/77 estimated	1977/78	
			Projected	Probable variability <sup>*</sup>			Projected	Probable variability <sup>*</sup>
Corn:								
Area		Mil. acres				Mil. hectares		
Planted . . . . .	78.2	84.1	82.7	—	31.6	34.0	33.5	—
Harvested . . . . .	67.2	71.1	70.8	—	27.2	28.8	28.7	—
Yield per harvested unit . . . . .		Bu. per acre				Metric tons per hectare		
	86.2	87.4	89.4	—	5.41	5.49	5.60	
Beginning stocks . . . . .		Mil. bu.				Mil. metric tons		
Production . . . . .	359	398	900	—	9.1	10.1	22.8	—
Imports . . . . .	5,797	6,216	6,331	+485 to -485	147.3	157.9	160.8	+12.3 to -12.3
Supply, total . . . . .	2	1	1	—	.1	( <sup>6</sup> )	( <sup>6</sup> )	—
Feed . . . . .	6,158	6,616	7,232	—	156.5	168.0	183.8	—
Food, seed, and industrial uses . . . . .	3,558	3,550	3,800	+300 to -300	90.4	90.2	96.5	+7.6 to -7.6
Domestic, total . . . . .	491	515	530	+10 to -10	12.5	13.1	13.5	+3 to -3
Exports . . . . .	4,049	4,065	4,330	+300 to -300	102.9	103.3	110.0	+7.6 to -7.6
Use, total . . . . .	1,711	1,650	1,450	+150 to -150	43.5	41.9	36.8	+3.8 to -3.8
Ending stocks . . . . .	5,760	5,716	5,780	+400 to -400	146.4	145.2	146.8	+10.1 to -10.1
	398	900	1,452	+300 to -300	10.1	22.8	36.8	+7.6 to -7.6
Price received by farmers . . . . .		Dol. per bu.				Dol. per metric ton		
Price, Chi., No. 2 yellow . . . . .	2.54	<sup>3</sup> 2.20	1.80	1.70-1.90	99.99	<sup>3</sup> 86.61	70.86	67-75
	2.75	<sup>4</sup> 2.45	—	—	108.26	<sup>4</sup> 96.45	—	—
Soybeans:								
Area		Mil. acres				Mil. hectares <sup>2</sup>		
Planted . . . . .	54.7	50.3	59.0	—	22.1	20.4	23.9	—
Harvested . . . . .	53.8	49.4	58.0	—	21.8	20.0	23.5	—
Yield per harvested unit . . . . .		Bu. per acre				Metric tons per hectare		
	28.8	25.6	27.5	+1.5 to -1.5	1.94	1.72	1.85	+1.1 to -1.1
Beginning stocks . . . . .		Mil. bu.				Mil. metric tons		
Production . . . . .	185	245	65	+10 to -10	5.0	6.7	1.8	+3 to -3
Supply, total . . . . .	1,546	1,265	1,595	+85 to -85	42.1	34.4	43.4	+2.3 to -2.3
Crushings . . . . .	1,731	1,510	1,660	+95 to -95	47.1	41.1	45.2	+2.6 to -2.6
Exports . . . . .	865	810	845	+40 to -40	23.5	22.0	23.0	+1.1 to -1.1
Seed, feed, and residual . . . . .	555	570	590	+35 to -35	15.1	15.5	16.1	+1.0 to -1.0
Use, total . . . . .	66	65	85	—	1.8	1.8	2.3	—
Ending stocks . . . . .	1,486	1,445	1,520	+50 to -50	40.4	39.3	41.4	+1.4 to -1.4
	245	65	140	+50 to -50	6.7	1.8	3.8	+1.4 to -1.4
Price received by farmers . . . . .		Dol. per bu.				Dol. per metric ton		
Price, Chi., No. 1 yellow . . . . .	4.92	<sup>3</sup> 7.32	5.50	+1.00 to -1.00	180.78	<sup>3</sup> 268.96	202	+37 to -37
	5.25	<sup>4</sup> 7.63	—	—	192.90	<sup>4</sup> 280.35	—	—
Soybean oil:								
Beginning stocks . . . . .		Mil. lb.				Thou. metric tons		
Production . . . . .	561	1,251	960	+100 to -100	254	567	435	+45 to -45
Supply, total . . . . .	9,630	8,799	9,040	+400 to -400	4,368	3,991	4,101	+181 to -181
Domestic . . . . .	10,191	10,050	10,000	+400 to -400	4,623	4,559	4,536	+181 to -181
Exports . . . . .	7,964	7,440	7,650	+400 to -400	3,612	3,375	3,470	+181 to -181
Use, total . . . . .	976	1,650	1,400	+200 to -200	443	748	635	+91 to -91
Ending stocks . . . . .	8,940	9,090	9,050	+300 to -300	4,055	4,123	4,105	+136 to -136
	1,251	960	950	+200 to -200	567	435	431	+91 to -91
Price, crude, Decatur . . . . .		Cts. per lb.				Cts. per kilogram		
	18.3	<sup>3</sup> 24	20	+5 to -5	40.3	<sup>3</sup> 52.9	44.1	+1.1 to -1.1
Soybean meal:								
Beginning stocks . . . . .		Thou. short tons				Thou. metric tons		
Production . . . . .	358	355	355	+50 to -50	325	322	322	+45 to -45
Supply, total . . . . .	20,754	19,160	20,100	+900 to -900	18,828	17,382	18,234	+816 to -816
Domestic . . . . .	21,112	19,515	20,455	+900 to -900	19,152	17,704	18,556	+816 to -816
Exports . . . . .	15,612	14,360	15,150	+700 to -700	14,163	13,027	13,744	+635 to -635
Use, total . . . . .	5,145	4,800	4,950	+300 to -300	4,667	4,354	4,491	+272 to -272
Ending stocks . . . . .	20,757	19,160	20,100	+800 to -800	18,830	17,382	18,234	+726 to -726
	355	355	355	+100 to -100	322	322	322	+91 to -91
Price, bulk, Decatur, 44% . . . . .		Dol. per short ton				Dol. per metric ton		
See footnotes at end of table.	147.77	<sup>3</sup> 205	160	+40 to -40	162.90	<sup>3</sup> 226	176	+44 to -44

# Supply and utilization of major crops<sup>1</sup>—Continued

Commodity	Domestic measure <sup>2</sup>				Metric measure <sup>2</sup>			
	1975/76	1976/77 estimated	1977/78		1975/76	1976/77 estimated	1977/78	
			Projected	Probable variability*			Projected	Probable variability*
Cotton: <sup>6</sup>								
Area		Mil. acres				Mil. hectares		
Planted .....	9.5	11.7	13.4	+0.5 to -0.5	3.8	4.7	5.4	+0.2 to -0.2
Harvested .....	8.8	10.9	—	—	3.6	4.4	—	—
		Lb. per acre				Metric tons per hectare		
Yield per harvested unit .....	453	465	—	—	.51	.52	—	—
		Mil. 480-lb. bales				Mil. metric tons		
Beginning stocks .....	<sup>1</sup> 5.7	<sup>1</sup> 3.7	2.7	+1.1 to -1.1	<sup>1</sup> 1.2	<sup>1</sup> .8	.6	( <sup>7</sup> )
Production .....	8.3	10.6	—	—	1.8	2.3	—	—
Supply, total <sup>5</sup> .....	14.1	14.3	—	—	3.1	3.1	—	—
Mill use .....	7.3	6.7	7.0	+5.5 to -5.5	1.6	1.5	1.5	+1.1 to -1.1
Exports .....	3.3	5.1	4.8	+8.8 to -8.8	.7	1.1	1.0	+2.2 to -2.2
Use, total .....	10.6	11.8	11.8	+1.0 to -1.0	2.3	2.6	2.6	+2.2 to -2.2
Difference unaccounted <sup>1,6</sup> .....	.2	.2	.2	—	( <sup>8</sup> )	( <sup>8</sup> )	( <sup>8</sup> )	( <sup>8</sup> )
Ending stocks .....	<sup>1</sup> 3.7	2.7	—	—	<sup>1</sup> .8	.6	—	—
		Cts. per lb.				Cts. per kilogram		
Price received by farmers .....	51.3	<sup>3</sup> 65.0	—	—	113.1	<sup>3</sup> 143.3	—	—
Price, SLM, 1-1/16 in., spot .....	58.0	<sup>4</sup> 72.1	—	—	127.9	<sup>4</sup> 159.0	—	—

<sup>1</sup> Marketing year beginning June 1 for wheat, barley, and oats, August 1 for cotton and rice, September 1 for soybeans, and October 1 for corn, sorghum, and soybean oil and meal. <sup>2</sup> Conversion factors: Hectare (ha.)=2.471 acres; and 1 metric ton=2,204.622 pounds, 36.7437 bushels of wheat or soybeans, 39.3679 bushels of corn or sorghum, 49.9296 bushels of barley, 68.8944 bushels of oats, 22.046 cwt. of rice, and 4.59 480-pound bales of cotton. <sup>3</sup> Season average estimate. <sup>4</sup> Average for beginning of marketing year through June 1977. <sup>5</sup> Corn, sorghum, oats, and barley. <sup>6</sup> Upland and extra long staple. <sup>7</sup> Based on Census Bureau data. <sup>8</sup> Less than 0.05. <sup>9</sup> Includes imports. <sup>10</sup> Difference between ending stocks based on Census Bureau data and preceding season's supply less distribution.

\*The "probable variability" reflects the SRS estimate of "root mean square error" for production. The chances are about 2 out of 3 that the final outcome would fall within the indicated range. Comparable estimates of variability are used for other items in the supply and utilization balance.

## Feed grains:

	Marketing year <sup>1</sup>			1976	1977					
	1973/74	1974/75	1975/76	June	Jan	Feb	Mar	Apr	May	June
Wholesale prices:										
Corn, No. 2 yellow, Chicago (\$/bu.) . . . . .	2.95	3.12	2.75	2.96	2.53	2.54	2.52	2.50	2.41	2.27
Sorghum, No. 2 yellow, Kansas City (\$/cwt.) . . . .	4.64	5.04	4.46	4.66	3.91	3.85	3.75	3.62	3.53	3.28
Barley, feed, Minneapolis (\$/bu.) . . . . .	2.03	2.58	2.38	2.52	2.20	2.35	2.29	2.28	2.13	1.76
Barley, malting, Minneapolis (\$/bu.) <sup>2</sup> . . . . .	2.67	4.16	3.52	3.55	3.00	2.91	2.98	2.91	2.83	2.38
Exports:										
Corn (mil. bu.) . . . . .	1,243	1,149	1,711	161	128	120	151	142	140	*124
Feed grains (mil. short tons) <sup>3</sup> . . . . .	44.5	39.4	55.1	4.8	4.4	4.4	5.0	4.6	4.5	*3.9

	Marketing year <sup>1</sup>			1976				1977		
	1973/74	1974/75	1975/76	Jan-Mar	Apr-May	June-Sept	Oct-Dec	Jan-Mar	Apr-May	June-Sept
Corn:										
Stocks, beginning (mil. bu.) . . . . .	709	483	359	4,449	2,823	1,861	398	4,861	3,273	2,351
Domestic use:										
Feed (mil. bu.) . . . . .	4,183	3,191	3,558	1,101	551	769	1,135	1,060	544	—
Food, seed, ind. (mil. bu.) . . . . .	448	450	491	120	92	162	121	128	97	—
Feed grains: <sup>4</sup>										
Stocks, beginning (mil short tons) . . . . .	33.9	23.7	16.8	152.5	95.6	62.8	30.0	163.1	108.7	77.0
Domestic use:										
Feed (mil. short tons) . . . . .	153.3	115.6	127.6	39.1	19.1	27.4	40.5	36.1	18.4	—
Food, seed, ind. (mil. short tons) . . . . .	17.6	17.7	18.8	4.5	4.0	6.1	4.4	4.7	4.2	—

<sup>1</sup> Beginning October 1 for corn and sorghum; June 1 for oats and barley. <sup>2</sup> No. 3 or better, 70% or better plump. <sup>3</sup> Aggregated data for corn, sorghum, oats and barley. <sup>4</sup> Based on inspections for export.



## Food grains:

	Marketing year <sup>1</sup>			1976	1977					
	1974/75	1975/76	1976/77	June	Jan	Feb	Mar	Apr	May	June
<b>Wholesale prices:</b>										
Wheat, No. 1 HRW, Kansas City (\$/bu.) <sup>2</sup>	4.20	3.74	2.88	3.75	2.70	2.73	2.63	2.52	2.36	2.31
Wheat, DNS, Minneapolis (\$/bu.) <sup>2</sup>	4.57	3.74	2.96	3.82	2.79	2.87	2.82	2.75	2.59	2.43
Flour, Kansas City (\$/cwt.)	10.19	9.25	7.07	8.84	6.76	6.81	6.52	6.20	5.84	5.58
Flour, Minneapolis (\$/cwt.)	11.40	10.41	8.34	10.35	7.75	7.86	7.72	7.12	6.92	6.50
Rice, S.W. La. (\$/cwt.) <sup>3</sup>	21.50	17.20	—	16.50	13.25	13.50	13.95	15.65	16.45	16.25
<b>Wheat:</b>										
Exports (mil. bu.)	1,018	1,173	950	73	54	65	60	79	72	—
Mill grind (mil. bu.)	538	572	593	48	48	48	55	46	47	—
Wheat flour production (mil. cwt.)	239	255	263	21	21	21	24	21	21	—

	Marketing year <sup>1</sup>			1976	1977		
	1974/75	1975/76	1976/77	Jan-Mar	Apr-May	June-Sept	Oct-Dec
<b>Wheat:</b>							
Stocks, beginning (mil. bu.)	340	435	664	1,385	936	664	2,186
<b>Domestic use:</b>							
Food (mil. bu.)	521	559	553	140	89	188	144
Feed and seed (mil. bu.) <sup>4</sup>	165	176	202	62	29	39	42
Exports (mil. bu.)	1,019	1,173	950	247	154	399	220

<sup>1</sup> Beginning June 1 for wheat and August 1 for rice. <sup>2</sup> Ordinary protein. <sup>3</sup> Long-grain, milled basis. <sup>4</sup> Feed use approximated by residual.

## Vegetables:

	Annual			1976	1977					
	1974	1975	1976	June	Jan	Feb	Mar	Apr	May	June
<b>Wholesale prices:</b>										
Potatoes, white, f.o.b. East (\$/cwt.)	6.74	5.30	5.90	5.37	6.07	6.37	6.41	8.10	7.16	6.86
Iceberg lettuce (\$/cwt.) <sup>1</sup>	2.82	2.71	3.57	2.99	2.58	2.78	3.76	2.06	2.85	2.68
Tomatoes (\$/cwt.) <sup>1</sup>	5.41	5.81	6.44	7.58	6.15	7.30	—	9.16	7.38	5.68
<b>Wholesale price index, 10 canned</b>										
veg. (1967=100)	146	168	160	156	170	163	162	174	175	176
<b>Grower price index, fresh commercial</b>										
veg. (1967=100)	152	173	173	156	235	267	270	199	185	160

<sup>1</sup> Std. carton 24's, f.o.b. shipping point. <sup>2</sup> 2 layers, 5 x 6-6 x 6, f.o.b. Fla.-Cal.

## Fruit:

	Annual			1976	1977					
	1974	1975	1976	June	Jan	Feb	Mar	Apr	May	June
<b>Wholesale price indexes:</b>										
Fresh fruit (1967=100)	144.0	157.8	160.4	149.9	172.1	174.3	183.2	173.6	187.9	170.3
Dried fruit (1967=100)	247.3	213.4	234.9	211.9	356.7	356.7	356.7	357.2	357.2	357.2
Canned fruit and juice (1967=100)	159.7	173.8	174.4	173.5	178.7	184.8	186.1	187.7	188.6	190.7
Frozen fruit and juice (1967=100)	144.0	156.5	156.2	161.9	144.2	186.1	184.7	184.7	184.7	193.6
<b>F.o.b. shipping point prices:</b>										
Apples, Yakima Valley (\$/cwt.) <sup>2</sup>	n.a.	n.a.	n.a.	n.a.	8.51	8.94	n.a.	n.a.	n.a.	n.a.
Pears, Yakima Valley (\$/box) <sup>3</sup>	n.a.	n.a.	n.a.	n.a.	6.18	6.13	5.83	n.a.	n.a.	n.a.
Oranges, U.S. avg. (\$/box)	6.79	6.76	6.71	6.43	5.91	7.48	7.33	7.36	7.08	7.89
Grapefruit, U.S. avg. (\$/box)	5.55	6.18	5.78	6.26	5.39	7.04	6.27	6.28	6.15	6.67
<b>Stocks, beginning:</b>										
Fresh apples (mil. lb.)	2,074.2	2,214.1	2,569.3	420.4	2,249.0	1,775.9	1,335.2	912.8	605.1	329.4
Fresh pears (mil. lb.)	128.6	170.4	162.2	10.8	211.6	178.0	132.2	94.2	51.8	25.5
Frozen fruit (mil. lb.)	516.3	607.3	558.3	337.7	537.8	499.0	459.4	419.4	378.3	379.2
Frozen fruit juices (mil. lb.)	853.4	883.0	967.0	1,472.8	844.1	916.9	1,075.8	1,195.7	1,224.5	1,241.1

<sup>1</sup> Annual Prices are seasonal average ending with year listed. <sup>2</sup> Red Delicious, regular storage, Washington extra fancy, carton tray pack, 80-125's. <sup>3</sup> O'Anjou pears, regular storage, Washington wrapped, U.S. No. 1, 90-135's. n.a. not available.

## Cotton:

	Marketing year <sup>1</sup>			1976	1977					
	1973/74	1974/75	1975/76	June	Jan	Feb	Mar	Apr	May	June
U.S. price, SLM, 1-1/16 in. (cts./lb.) <sup>2</sup>	67.1	41.7	58.0	72.7	67.0	72.2	75.8	73.7	70.7	61.1
<b>Northern Europe prices:</b>										
Index (cts./lb.) <sup>3</sup>	76.3	52.5	65.3	79.8	78.7	83.8	86.4	85.3	81.2	71.8
U.S., SM 1-1/16 in. (cts./lb.) <sup>4</sup>	78.3	56.4	71.4	83.2	78.9	85.0	88.1	86.1	83.1	72.5
U.S. mill consumption (thou. bales)	7,448.4	5,833.7	7,227.7	570.8	524.0	542.2	674.6	523.2	521.8	—
Exports (thou. bales)	6,123.0	3,925.9	3,311.3	341.0	371.6	534.7	563.6	575.3	418.8	—

<sup>1</sup> Beginning August 1. <sup>2</sup> Average spot market. <sup>3</sup> Liverpool Outlook "A" index; average of five lowest priced of 10 selected growths. <sup>4</sup> Memphis territory growths.

## Fats and oils:

	Marketing year <sup>1</sup>			1976	1977					
	1973/74	1974/75	1975/76	June	Jan	Feb	Mar	Apr	May	June
Soybeans:										
Wholesale price, No. 1 yellow, Chicago (\$/bu.) . . .	6.12	6.33	5.25	6.25	7.08	7.25	8.33	9.74	9.50	8.18
Crushings (mil. bu.) . . . . .	821.3	701.3	865	74.6	72.2	71.6	74.4	67.1	61.2	—
Processing margin (\$/bu.) <sup>2</sup> . . . . .	.72	.17	.16	.15	.17	.25	.08	.26	.21	—
Exports (mil. bu.) . . . . .	539.1	420.7	555	47.2	50.9	59.9	58.4	57.0	55.1	—
Soybean oil:										
Wholesale price, crude, Decatur (cts./lb.) . . . . .	31.5	30.7	18.3	17.6	20.9	22.4	26.5	29.6	31.3	28.3
Production (mil. lb.) . . . . .	8,994.7	7,376.2	9,630	813.9	786.7	791.2	823.7	747.3	681.4	—
Domestic disappearance (mil. lb.) . . . . .	7,255.4	6,518.5	7,906	569.3	563.9	684.1	698.2	632.9	588.3	—
Exports (mil. lb.) . . . . .	1,435.2	1,028.3	976	74.6	107.1	96.7	240.7	113.8	217.0	—
Stocks, beginning (mil. lb.) . . . . .	515.5	793.5	561	1,108.6	1,488.1	1,599.5	1,609.4	1,486.4	1,478.9	1,353.6
Soybean meal:										
Wholesale price, 44% protein, Decatur (\$/ton) . . . .	146.35	130.86	147.77	187.90	207.00	211.00	226.20	275.60	258.25	225.30
Production (thou. ton) . . . . .	19,674.4	16,701.5	20,754	1,771.8	1,725.1	1,709.2	1,771.0	1,596.0	1,453.7	—
Domestic disappearance (thou. ton) . . . . .	13,766.3	12,501.3	15,552	1,382.9	1,231.4	1,356.9	1,142.5	1,189.1	1,015.2	—
Exports (thou. ton) . . . . .	5,547.6	4,298.8	5,145	474.8	457.4	305.4	636.7	368.0	473.9	—
Stocks, beginning (thou. ton) . . . . .	183.2	507.3	358	462.8	353.9	384.7	429.9	412.6	449.0	408.1
Margarine, wholesale price, Chicago (cts./lb.) . . . .	44.3	37.9	31.4	30.0	33.8	34.0	39.5	42.5	44.3	43.9

<sup>1</sup>Beginning September 1 for soybeans; October 1 for soy meal and oil; calendar year 1974, 1975 and 1976 for margarine. <sup>2</sup>Spot basis, Illinois shipping points.

## Sugar:

	Annual			1976	1977					
	1974	1975	1976	June	Jan	Feb	Mar	Apr	May	June
Wholesale price, N.Y. (\$/cwt.) <sup>1</sup> . . . . .	29.50	22.47	13.31	14.40	10.95	11.06	11.67	12.57	11.34	10.28
U.S. deliveries (thou. short tons) <sup>1, 2</sup> . . . . .	11,237	9,974	10,856	993	828	761	1,017	896	871	995

<sup>1</sup>Raw value. <sup>2</sup>Excludes Hawaii. <sup>3</sup>Preliminary.

## Tobacco:

	Annual			1976	1977					
	1974	1975	1976	June	Jan	Feb	Mar	Apr	May	June
Prices at auctions:										
Flue-cured (cts./lb.) . . . . .	105.0	99.8	110.6	—	—	—	—	—	—	—
Burley (cts./lb.) . . . . .	111.5	104.9	113.2	—	113.2	112.8	110.2	105.5	—	—
Domestic consumption <sup>1</sup>										
Cigarettes (bil.) . . . . .	576.2	588.3	<sup>2</sup> 619.1	58.4	49.0	49.1	53.4	45.1	—	—
Large cigars (mil.) . . . . .	6,306	5,771	<sup>2</sup> 5,362	473.5	306.7	406.4	478.1	369.2	—	—

<sup>1</sup>Taxable removals. <sup>2</sup>Subject to revision.

## Coffee:

	Annual			1976	1977p					
	1974	1975	1976	June	Jan	Feb	Mar	Apr	May	June
Composite green price, N.Y. (cts./lb.) . . . . .	67.95	71.76	142.48	149.24	227.89	251.20	324.59	333.49	295.95	269.81
Imports, green bean equivalent (mil. lb.) <sup>1</sup> . . . . .	2,751	2,849	2,838	270	282	248	275	268	184	n.a.
	Annual			1975	1976					
	1974	1975	1976	Jul-Sep	Oct-Dec	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar
Roastings (mil. lb.) <sup>2</sup> . . . . .	2,456	2,454	2,522	627	612	742	659	510	611	629

<sup>1</sup>Green and processed coffee. <sup>2</sup>Instant soluble and roasted coffee. p Preliminary. n.a. not available.

# Transportation Data

## Rail rates, grain and fruit and vegetable shipments

	January-June			1976		1977				
	1975	1976	1977	June	Jan	Feb	Mar	Apr	May	June
Rail freight rate index <sup>1</sup>										
All products (1969=100)	160.8	183.9	198.2	187.4	198.0	198.0	198.2	198.3	198.2	198.2
Farm products (1969=100)	155.9	179.9	190.2	183.3	190.0	190.0	190.2	190.3	190.4	190.6
Food products (1969=100)	160.1	182.3	194.4	186.3	194.6	194.5	194.9	194.9	193.9	193.9
Rail carloadings of grain (thou. cars) <sup>2</sup>	22.5	24.6	23.1	29.3	22.3	25.0	24.5	22.3	20.3	23.1
Barge shipments of grain (mil. bu.) <sup>3</sup>	18.7	31.0	27.1	33.9	20.3	15.3	31.4	30.4	34.4	29.2
Fresh fruit and vegetable shipments										
Rail (thou. carlots) <sup>4</sup>	4.2	3.8	2.4	5.2	2.1	2.2	2.2	2.2	2.3	3.2
Truck (thou. carlots) <sup>4</sup>	15.1	17.0	15.0	21.7	13.8	11.5	12.7	14.3	18.2	19.4

<sup>1</sup> Department of Labor, Bureau of Labor Statistics. <sup>2</sup> Weekly average; from Association of American Railroads. <sup>3</sup> Weekly average; from Agricultural Marketing Service, USDA. <sup>4</sup> Preliminary data for 1977.

# General Economic Data

## Gross national product and related data

Items	First Half			1975		1976				1977	
	1975	1976	1977	III	IV	I	II	III	IV	I	IIp
\$ bil. (Quarterly data seasonally adjusted at annual rates)											
Gross national product <sup>1</sup>	1,474.8	1,671.8	1,839.9	1,564.9	1,600.7	1,651.2	1,691.9	1,727.3	1,755.4	1,810.8	1,869.0
Personal consumption expenditures	951.2	1,067.2	1,183.2	995.1	1,024.1	1,056.0	1,078.5	1,102.2	1,139.0	1,172.4	1,194.0
Durable goods	125.3	155.0	178.0	136.7	144.3	153.3	156.7	159.3	166.3	177.0	179.1
Nondurable goods	400.2	433.8	471.0	415.0	421.9	430.4	437.1	444.7	458.8	466.6	475.3
Clothing and shoes	68.2	74.2	80.6	71.5	73.0	74.2	74.3	76.9	79.9	79.3	80.6
Food and beverages	205.2	221.6	241.4	212.1	215.4	219.3	223.9	227.0	232.0	237.9	245.0
Services	425.7	478.5	534.2	443.4	457.9	472.4	484.6	498.2	513.9	528.8	539.6
Gross private domestic investment	173.2	237.8	282.4	205.4	204.7	231.3	244.4	254.3	243.4	271.8	293.0
Fixed investment	196.7	221.4	265.6	200.5	208.4	216.8	226.1	232.8	244.3	258.0	273.3
Nonresidential	148.8	157.6	180.2	148.2	150.7	155.4	159.8	164.9	167.6	177.0	183.3
Residential	48.0	63.8	85.5	52.3	57.6	61.4	66.3	67.8	76.7	81.0	90.0
Change in business inventories	-23.6	16.4	16.8	4.9	-3.6	14.5	18.3	21.5	-9	13.8	19.7
Net exports of goods and services	19.8	10.2	-8.2	20.8	20.8	10.2	10.2	7.9	3.0	-8.2	-8.1
Exports	145.0	157.2	172.9	146.9	152.1	153.9	160.6	168.4	168.5	170.4	175.4
Imports	125.1	147.0	181.0	126.1	131.3	143.7	150.4	160.6	165.6	178.5	183.5
Government purchases of goods and services	330.6	356.2	382.5	343.5	351.0	353.6	358.9	363.0	370.0	374.9	390.1
Federal	120.7	128.0	139.8	123.8	128.1	127.6	128.5	130.2	134.2	136.3	143.3
State and local	209.8	228.2	242.6	219.7	222.9	225.9	230.4	232.7	235.8	238.5	246.7
1972 \$ bil. (Quarterly data seasonally adjusted at annual rates)											
Gross national product	1,179.0	1,263.8	1,321.3	1,220.7	1,229.8	1,256.0	1,271.5	1,283.7	1,287.4	1,311.0	1,331.6
Personal consumption expenditures	763.6	811.4	852.5	780.2	792.8	807.2	815.5	822.7	839.8	850.4	854.6
Durable goods	107.6	126.0	137.6	115.4	120.2	125.4	126.6	127.1	130.7	136.9	138.2
Nondurable goods	305.1	317.7	330.2	308.6	311.5	316.1	319.3	321.5	329.4	329.7	330.7
Clothing and shoes	60.0	63.7	65.9	62.4	63.5	63.9	63.4	64.7	66.8	65.5	66.2
Food and beverages	151.1	157.4	165.9	151.9	153.5	156.1	158.6	160.1	163.9	165.4	166.4
Services	351.0	367.6	384.8	356.2	361.2	365.6	369.6	374.0	379.7	383.8	385.7
Gross private domestic investment	132.0	171.6	127.9	153.1	149.2	168.1	175.2	179.4	169.2	186.7	197.1
Fixed investment	150.9	160.8	180.8	150.2	153.8	158.4	163.1	165.6	171.0	177.0	184.5
Nonresidential	114.3	114.8	125.6	111.0	111.3	113.7	115.9	118.5	119.0	124.3	127.0
Residential	36.6	46.0	55.1	39.3	42.6	44.8	47.1	47.1	52.0	52.7	57.5
Change in business inventories	-19.0	10.9	11.1	2.9	-4.6	9.7	12.1	13.8	-1.8	9.7	12.5
Net exports of goods and services	22.5	16.6	10.3	22.7	22.3	16.8	16.4	17.0	13.8	10.6	10.0
Exports	88.6	94.2	97.0	89.7	92.8	93.1	95.2	97.9	96.9	96.9	97.0
Imports	66.0	77.6	86.6	67.0	70.6	76.3	78.9	80.9	83.1	86.3	86.9
Government purchases of goods and services	260.8	264.2	266.6	264.8	265.4	263.9	264.4	264.6	264.6	263.3	269.8
Federal	96.2	96.2	99.0	96.9	97.4	96.4	96.1	96.7	97.1	97.0	101.0
State and local	164.6	168.0	167.6	167.8	168.0	167.5	168.4	168.0	167.5	166.4	168.8
New plant and equipment expenditures (\$ bil.)	113.5	116.42	132.31	112.16	111.80	114.72	118.12	122.55	125.22	130.16	134.46
Implicit price deflator for GNP (1972=100)	125.08	132.26	139.24	128.20	130.17	131.47	133.06	134.56	136.35	138.13	140.36
Disposable income (\$ bil.)	1,058.8	1,163.7	1,273.8	1,095.7	1,124.1	1,153.3	1,174.1	1,193.3	1,222.6	1,252.4	1,295.2
Disposable income (1972 \$ bil.)	850.0	884.6	917.8	859.1	870.2	881.5	887.8	890.7	901.5	908.4	927.1
Per capita disposable income (\$)	4,799	5,418	5,886	5,125	5,247	5,374	5,462	5,540	5,665	5,793	5,980
Per capita disposable income (1972 \$)	3,988	4,118	4,241	4,018	4,062	4,107	4,130	4,135	4,177	4,202	4,280
U.S. population, tot. incl. military abroad (mil.)	213.1	214.8	216.4	213.8	214.2	214.6	214.9	215.4	215.8	216.2	216.6
Civilian population (mil.)	210.9	212.6	214.2	211.6	212.1	212.5	212.8	213.2	213.7	214.0	214.4

See footnotes at end of next table.



## Selected monthly indicators

Items	January-June			1976	1977					
	1975	1976	1977	June	Jan	Feb	Mar	Apr	May	June
Monthly data seasonally adjusted except as noted										
Industrial Production, total <sup>2</sup> (1967=100)	113.7	128.2	135.5p	130.1	132.1	133.2	135.2	136.2	137.6p	138.6p
Manufacturing (1967=100)	111.8	128.1	135.4p	130.2	131.5	132.9	135.2	136.3	137.9p	138.7p
Durable (1967=100)	106.2	119.5	127.2p	122.3	123.0	124.0	126.8	128.0	130.0p	131.2p
Nondurable (1967=100)	119.9	140.4	147.2p	141.3	143.7	145.7	147.0	148.1	149.4p	149.5p
Leading economic indicators <sup>3</sup> (1967=100)	109.4	123.2	—	125.6	126.5	127.6	130.2	130.8	130.6p	—
Employment <sup>4</sup> (Mil. persons)	84.4	87.0	89.7	87.5	88.6	89.0	89.5	90.0	90.4	90.7
Unemployment rate <sup>4</sup> (%)	8.4	7.6	7.2	7.6	7.3	7.5	7.3	7.0	6.9	7.1
Personal income <sup>1</sup> (\$bil. annual rate)	1,219.9	1,352.4	1,498.4p	1,372.7	1,454.3	1,477.0	1,499.1	1,510.9	1,519.5	1,529.9p
Hourly earnings in manufacturing <sup>4</sup> (\$)	4.72	5.08	5.51p	5.15	5.46	5.43	5.48	5.52	5.56p	5.59p
Money stock (daily average) <sup>2</sup> (\$bil.)	285.2	299.8	317.7p	303.2	313.8	314.0	315.4	320.5	320.7	322.0p
Time and savings deposits (daily average) <sup>2</sup> (\$bil.)	429.7	459.0	504.7p	465.3	495.6	500.0	502.8	505.7	509.2	514.8p
Three-month Treasury bill rate <sup>5</sup> (%)	5.637	5.061	4.728	5.443	4.597	4.662	4.613	4.540	4.942	5.013
Aaa corporate bond yield (Moody's) <sup>6</sup> (%)	8.79	8.54	8.02	8.62	7.96	8.04	8.10	8.04	8.05	7.95
Interest rate on new home mortgages <sup>7</sup> (%)	9.06	8.94	8.98	8.89	9.05	8.99	8.95	8.94	8.96	8.98p
Housing starts, private (including farm) (thou.)	1,017	1,412	1,824p	1,494	1,384	1,802	2,089	1,880	1,954p	1,833p
Auto sales at retail, total <sup>1</sup> (mil.)	8.2	10.2	—	10.1	10.5	10.8	12.6	11.7	11.7p	—
Business sales, total <sup>1</sup> (\$bil.)	165.8	189.2	—	193.4	202.1	207.6	214.8	213.5	213.9p	—
Business inventories, total <sup>1</sup> (\$bil.)	276.1	282.5	—	289.1	302.0	304.0	307.3	309.8	313.1p	—
Sales of all retail stores (\$bil.) <sup>8</sup>	47.1	53.0	58.7	54.0	56.7	58.2	59.5	59.5	59.2p	59.2p
Durable goods stores (\$bil.)	14.3	17.5	20.0	17.8	19.0	19.8	20.7	20.3	20.1p	20.0p
Nondurable goods stores (\$bil.)	32.7	35.5	38.7	36.2	37.6	38.4	38.8	39.1	39.2p	39.2p
Food stores (\$bil.)	10.8	11.5	12.4	11.8	11.9	12.2	12.4	12.5	12.7p	12.7p
Eating and drinking places (\$bil.)	3.9	4.3	4.8	4.3	4.5	4.7	4.8	4.8	4.8p	4.9p
Apparel and accessory stores (\$bil.)	2.2	2.3	2.4	2.3	2.4	2.5	2.4	2.4	2.4p	2.4p

<sup>1</sup> Department of Commerce. <sup>2</sup> Board of Governors of the Federal Reserve System. <sup>3</sup> Composite index of 12 leading indicators. <sup>4</sup> Department of Labor, Bureau of Labor Statistics. <sup>5</sup> Not seasonally adjusted. <sup>6</sup> Moody's Investors Service. <sup>7</sup> Federal Home Loan Bank Board. <sup>8</sup> Adjusted for seasonal variations, holidays, and trading day differences. p. Preliminary.

## U.S. Agricultural Trade

### Prices of principal U.S. agricultural trade products

Items	Annual			1976	1977					
	1974	1975	1976	June	Jan	Feb	Mar	Apr	May	June
<b>Export commodities:</b>										
Wheat, f.o.b. Gulf ports (\$/bu.)	4.54	4.16	3.65	3.99	2.97	3.04	2.97	2.78	2.65	2.56
Corn, f.o.b. Gulf ports (\$/bu.)	3.36	3.10	2.91	3.14	2.86	2.93	2.78	2.73	2.64	2.45
Grain sorghum, f.o.b. Gulf ports (\$/bu.)	3.08	2.95	2.73	2.78	2.58	2.63	2.53	2.44	2.38	2.24
Soybeans, f.o.b. Gulf ports (\$/bu.)	6.42	5.72	6.07	6.43	7.36	7.80	8.65	10.03	9.84	8.50
Soybean oil, Decatur (cts./lb.)	35.80	25.39	18.05	17.62	20.86	21.34	26.46	29.60	31.27	28.34
Soybean meal, Decatur (\$/ton)	140.85	124.05	155.82	187.90	207.00	211.00	226.20	275.60	258.25	225.30
Cotton, 10 market avg. spot (cts./lb.)	54.88	44.70	67.70	72.74	66.95	72.15	75.75	73.67	70.65	61.08
Tobacco, avg. price of auction (cts./lb.)	94.00	103.50	105.73	100.90	113.60	118.30	122.10	115.20	109.50	108.00
Rice, f.o.b. mill, Houston (\$/cwt.)	28.33	21.28	16.17	16.60	13.85	13.90	14.00	15.45	16.25	16.25
Inedible tallow, Chicago (cts./lb.)	15.25	12.04	13.27	13.50	13.40	13.87	14.56	15.59	16.75	14.69
<b>Import commodities:</b>										
Coffee, N.Y. spot (cts./lb.)	69.30	77.27	142.36	148.10	222.10	240.50	316.10	327.25	304.77	279.58
Sugar, N.Y. spot (cts./lb.)	29.50	22.47	13.31	14.40	10.95	11.06	11.67	12.57	11.34	10.28
Cow meat, f.o.b. port of entry (cts./lb.)	71.77	60.20	71.69	72.49	71.55	74.35	73.56	70.33	67.95	66.28
Rubber, N.Y. spot (cts./lb.)	39.40	30.60	39.59	42.70	40.82	41.11	41.48	40.87	40.17	39.04
Cocoa beans, N.Y. spot (cts./lb.)	98.30	74.90	109.60	107.00	175.90	193.10	205.80	188.90	196.30	n.a.
Bananas, f.o.b. port of entry (\$/40-lb. box)	3.34	4.41	4.67	4.80	4.38	5.44	5.50	5.44	5.79	5.17
Canned Danish hams, ex-warehouse N.Y. (\$/lb.)	1.35	1.75	1.75	1.68	1.72	1.74	1.76	1.76	1.76	1.83
<b>Quantity Indices</b>										
Export (1967=100)	155	156	174	167	167	177	194	183	179	n.a.
Import (1967=100)	115	123	138	154	141	146	153	155	139	n.a.
<b>Unit Value Indices</b>										
Export (1967=100)	223	221	207	205	216	216	222	228	232	n.a.
Import (1967=100)	193	203	217	222	262	281	289	332	359	n.a.

n.a. not available.

## U.S. agricultural exports

Selected commodities	October-May				May			
	1975/76		1976/77		1976		1977	
	Thou. units		\$ Thou.		Thou. units		\$ Thou.	
Animals, live, excl. poultry	—	—	87,656	61,224	—	—	10,728	6,557
Meat and preps., excl. poultry (lb.)	551,801	621,555	403,302	402,887	87,257	75,764	63,626	53,595
Dairy products, excl. eggs	—	—	72,239	98,315	—	—	20,576	13,792
Poultry and poultry products	—	—	142,699	190,236	—	—	21,182	27,252
Grains and preparations	—	—	7,796,134	6,384,481	—	—	864,690	751,946
Wheat and wheat flour (bu.)	738,768	543,061	3,180,964	1,890,618	72,165	71,427	302,748	223,677
Rice, milled (lb.)	2,513,774	3,070,630	374,962	421,424	383,806	511,683	54,801	70,309
Feed grains (metric ton)	34,106	35,428	4,084,640	3,909,866	4,106	4,059	486,094	439,667
Other	—	—	155,568	162,573	—	—	21,047	18,293
Fruits, nuts, and preparations	—	—	598,809	651,394	—	—	71,397	74,628
Vegetables and preparations	—	—	420,034	515,015	—	—	64,226	67,970
Sugar and preps., incl. honey (lb.)	322,778	342,891	59,342	45,963	24,989	36,464	5,458	5,814
Coffee, tea, cocoa, spices, etc. (lb.)	51,960	59,021	62,489	79,853	8,272	6,914	7,537	9,352
Feeds and fodders	—	—	786,620	1,153,103	—	—	93,348	170,763
Protein meal (short ton)	3,659	3,663	552,310	726,450	403	478	60,664	115,204
Beverages, excl. distilled alcoholic (gal.)	4,488	8,492	9,469	16,581	398	1,412	1,022	2,600
Tobacco, unmanufactured (lb.)	464,866	442,419	714,610	727,596	30,699	39,933	42,125	63,093
Hides, skins, and furskins	—	—	432,355	582,374	—	—	62,260	59,897
Oilseeds	—	—	2,471,323	3,781,488	—	—	285,607	563,625
Soybeans (bu.)	430,130	465,570	2,280,872	3,541,494	49,516	55,149	253,740	528,051
Wool, unmanufactured (lb. grease basis)	7,181	4,935	17,752	16,625	1,047	1,143	3,080	3,823
Cotton, unmanufactured (running bale)	2,126	3,345	545,779	1,140,883	344	413	91,074	143,596
Fats, oils, and greases (lb.)	1,511,827	2,021,414	270,463	364,834	213,591	248,862	36,430	50,075
Vegetable oils and waxes (lb.)	1,444,030	1,822,554	373,533	496,340	284,637	273,016	66,542	85,073
Rubber and allied gums (lb.)	28,460	29,471	14,751	15,850	3,890	4,821	2,152	2,507
Other	—	—	301,664	381,938	—	—	35,698	43,397
Total	—	—	15,581,023	17,106,980	—	—	1,848,758	2,199,355

## U.S. agricultural exports by regions

Region <sup>1</sup>	October-May		May		Change from year-earlier	
	1975/76	1976/77	1976	1977	Oct-May 1976/77	May 1977
	\$ Mil.				Pct.	
Western Europe	5,188	6,710	582	837	+29	+44
Enlarged European Community	4,107	5,457	472	675	+33	+43
Other Western Europe	1,082	1,253	110	162	+16	+47
Eastern Europe and USSR	2,035	1,382	229	110	-32	-52
USSR	1,495	905	157	57	-39	-64
Eastern Europe	540	474	72	53	-12	-26
Asia	4,859	5,542	570	735	+14	+29
West Asia	500	706	38	116	+41	+205
South Asia	782	445	69	80	-43	+16
Southeast Asia, ex. Japan and PRC	1,297	1,611	167	223	+24	+34
Japan	2,278	2,780	297	316	+22	+6
Peoples Republic of China	2	( <sup>2</sup> )	—	( <sup>2</sup> )	—	—
Latin America	1,481	1,242	152	184	-16	+21
Canada, excluding transshipments	926	1,084	124	147	+17	+19
Canadian transshipments	326	204	69	35	-37	-49
Africa	690	848	115	139	+23	+21
North Africa	437	502	75	84	+15	+12
Other Africa	252	346	40	55	+37	+38
Oceania	76	94	7	12	+24	+71
Total <sup>3</sup>	15,581	17,107	1,849	2,199	+10	+19

<sup>1</sup> Not adjusted for transshipments. <sup>2</sup> Less than \$500,000. <sup>3</sup> Totals may not add due to rounding.

# U.S. agricultural imports

Selected commodities	October-May				May			
	1975/76		1976/77		1976		1977	
	Thou. units		\$ Thou.		Thou. units		\$ Thou.	
Animals live, excl. poultry	—	—	153,371	174,140	—	—	20,755	20,868
Meat and preps., excl. poultry (lb.)	1,208,246	1,117,473	923,590	857,136	170,350	147,208	129,346	110,719
Beef and veal (lb.)	943,508	873,579	552,724	537,801	137,345	114,688	86,382	71,345
Pork (lb.)	226,508	210,014	342,220	291,169	26,856	26,956	38,505	35,193
Dairy products, excl. eggs	—	—	173,768	202,721	—	—	16,127	20,795
Poultry and poultry products	—	—	21,216	45,254	—	—	2,326	7,534
Grains and preparations	—	—	114,061	105,569	—	—	15,281	14,987
Wheat and flour (bu.)	407	888	1,544	2,417	382	421	1,403	1,034
Rice (lb.)	2,485	2,711	636	509	108	301	37	56
Feed grains (metric ton)	187	135	32,621	19,923	20	27	3,620	3,480
Other	—	—	79,260	82,720	—	—	10,221	10,417
Fruits, nuts, and preparations	—	—	455,227	578,104	—	—	67,228	88,351
Bananas (lb.)	2,973,513	3,063,580	168,855	204,030	374,468	406,701	22,080	26,700
Vegetables and preparations	—	—	295,417	454,336	—	—	26,562	81,240
Sugar and preps., incl. honey	—	—	920,684	700,915	—	—	117,153	98,756
Sugar, cane or beet (short ton)	2,527	3,076	781,396	576,251	320	422	94,947	82,576
Coffee, tea, cocoa, spices, etc. (lb.)	2,742,801	2,658,094	1,964,166	4,016,218	309,992	292,917	258,161	574,464
Coffee, green (lb.)	1,795,272	1,733,802	1,316,313	2,976,078	204,551	161,844	179,321	388,427
Cocoa beans (lb.)	438,723	332,934	260,308	329,521	47,923	56,277	30,554	70,008
Feeds and fodders	—	—	35,210	46,743	—	—	4,019	4,596
Protein meal (short ton)	20	16	2,444	2,197	2	2	129	404
Beverages, excl. distilled alcoholic (gal.)	76,454	93,427	270,372	332,111	10,800	14,068	35,939	47,055
Tobacco, unmanufactured (lb.)	218,772	203,057	179,688	206,264	33,998	18,019	29,070	19,503
Hides, skins, and furskins	—	—	139,572	144,323	—	—	14,746	23,156
Oilseeds	—	—	40,656	64,371	—	—	5,148	8,647
Soybeans (lb.)	7	147	3	16	0	25	0	5
Wool, unmanufactured (lb. grease basis)	57,796	52,229	56,097	61,899	6,609	9,492	6,832	11,639
Cotton, unmanufactured (running bale)	78	71	18,529	13,647	5	14	1,110	1,620
Fats, oils, and greases (lb.)	17,096	14,376	4,066	3,042	1,503	1,273	316	345
Vegetable oils and waxes (lb.)	1,851,498	1,541,592	330,073	347,111	171,465	145,640	28,466	40,534
Rubber and allied gums (lb.)	1,125,746	1,126,636	308,280	405,106	105,479	112,344	33,561	41,204
Other	—	—	287,532	347,199	—	—	35,553	40,743
Total	—	—	6,691,575	9,106,209	—	—	847,699	1,256,756

## Trade balance

Items	October-May		May	
	1975/76	1976/77	1976	1977
\$ Mil.				
Agricultural exports <sup>1</sup>	15,580	17,107	1,848	2,199
Nonagricultural exports <sup>2</sup>	60,057	64,276	8,114	8,662
Total exports <sup>2</sup>	75,637	81,383	9,962	10,861
Agricultural imports <sup>3</sup>	6,692	9,106	848	1,257
Nonagricultural imports <sup>4</sup>	65,407	83,484	8,206	10,756
Total imports <sup>4</sup>	72,099	92,590	9,054	12,013
Agricultural trade balance	8,888	8,001	1,000	942
Nonagricultural trade balance	-5,350	-19,208	-92	-2,094
Total trade balance	3,538	-11,207	908	-1,152

<sup>1</sup> Domestic exports including Department of Defense shipments, (F.A.S. value). <sup>2</sup> Domestic and foreign exports excluding Department of Defense shipments, (F.A.S. value). <sup>3</sup> Imports for consumption (customs value). <sup>4</sup> General imports, (customs value).



# World Agricultural Production

## World supply and utilization of major crops

Commodity	1971/72	1972/73	1973/74	1974/75	1975/76 <sup>1</sup>	1976/77 <sup>2</sup>	1977/78 <sup>3</sup>
	Mil. units						
Wheat:							
Area (hectare) <sup>4</sup> .....	212.8	210.8	216.5	220.5	226.8	231.9	230.3
Production (metric ton) .....	348.2	343.3	371.6	356.4	349.3	412.7	405.5
Exports (metric ton) .....	55.8	70.8	72.6	68.0	73.7	64.9	69.5
Consumption (metric ton) <sup>5</sup> ..	341.4	361.2	365.5	362.7	349.4	375.3	396.2
Ending stocks (metric ton) <sup>6</sup> ..	78.8	61.0	69.1	62.8	62.7	101.5	109.4
Coarse grains:							
Area (hectare) .....	340.9	338.0	351.3	349.2	354.4	356.5	360.9
Production (metric ton) .....	621.9	602.7	660.9	620.4	634.7	692.1	691.5
Exports (metric ton) .....	55.5	69.0	80.9	69.5	88.7	83.2	78.5
Consumption (metric ton) <sup>5</sup> ..	608.6	620.5	665.3	624.2	636.2	675.4	674.5
Ending stocks (metric ton) <sup>6</sup> ..	78.4	60.6	56.2	52.4	50.9	69.1	86.5
Rice, milled basis:							
Area (hectare) .....	131.6	130.9	135.1	137.2	139.0	138.8	140.8
Production (metric ton) .....	212.0	204.7	219.0	222.9	238.5	229.9	234.0
Exports (metric ton) .....	8.1	8.1	7.7	7.6	7.9	8.0	8.0
Consumption (metric ton) <sup>5</sup> ..	214.8	209.7	216.7	223.4	232.6	232.2	235.4
Ending stocks (metric ton) <sup>6</sup> ..	15.8	10.2	12.5	12.0	17.9	15.8	14.2
Total grains:							
Area (hectare) .....	685.3	678.8	702.9	706.9	720.2	727.2	732.0
Production (metric ton) .....	1,182.0	1,150.1	1,251.5	1,199.7	1,222.5	1,334.7	1,331.0
Exports (metric ton) .....	119.2	148.0	161.2	145.1	170.3	156.1	156.0
Consumption (metric ton) <sup>5</sup> ..	1,164.8	1,191.4	1,245.5	1,210.3	1,218.2	1,282.9	1,306.1
Ending stocks (metric ton) <sup>6</sup> ..	173.0	131.8	137.8	127.2	131.5	186.2	210.1
Oilseeds and meals: <sup>5, 6</sup>							
Production (metric ton) .....	55.9	57.6	68.3	63.3	72.2	66.2	75.6
Trade (metric ton) .....	25.6	25.6	27.3	27.2	33.2	32.2	34.9
Vegetable fats and oils: <sup>6</sup>							
Production (metric ton) .....	27.8	27.3	30.8	30.3	33.2	31.4	34.7
Trade (metric ton) .....	9.1	9.2	9.6	9.9	11.7	12.0	12.8
Cotton:							
Area (hectare) .....	33.2	33.6	32.8	33.4	30.0	31.3	32.8
Production (bale) .....	59.8	63.0	63.2	64.3	54.3	57.7	63.8
Exports (bale) .....	18.6	21.0	19.6	17.3	18.8	18.2	19.0
Consumption (bale) .....	58.3	60.0	62.0	58.6	62.3	60.9	62.0
Ending stocks (bale) .....	21.1	23.7	25.1	30.2	22.4	19.2	21.0

<sup>1</sup> Estimate. <sup>2</sup> Forecast. <sup>3</sup> Where stock data not available (excluding USSR), consumption includes stock changes. <sup>4</sup> Stocks data are based on differing marketing years and do not represent levels at a given date. Data not available for all countries; includes estimated change in USSR grain stocks but not absolute level. <sup>5</sup> Soybean meal equivalent. <sup>6</sup> Calendar year data. 1972 data corresponds with 1971/72, 1973 data with 1972/73, etc..

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Florida Agricultural Statistics-Poultry Summary 1976. Florida Crop & Livestock Reporting Service, 1222 Woodward Street, Orlando, Florida 32803.

Maryland Agricultural Statistics-Summary for 1976. Maryland Crop Reporting Service, P.O. Box AG, College Park, Maryland 20740.

Nebraska Agricultural Statistics (Annual Report 1975-Preliminary 1976). Nebraska Crop & Livestock Reporting Service, P.O. Box 81069, Lincoln, Nebraska 68501.

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